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City and County of San Francisco

Meeting Agenda

Finance and Audits Committee

Members: Aaron Peskin, Gerardo Sandoval, Jake McGoldrick

Clerk: Victor Young

Wednesday, March 10, 2004 **12:30 PM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

DOCUMENTS DEPT.

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AGENDA CHANGES

REGULAR AGENDA

1. 031975 **[Year 4 Renewal of SFPUC Program Management Services Contract]**
Resolution retroactively approving the Public Utilities Commission's approval of the fourth year renewal of Agreement No. CS-524, Program Management Services, with the Water Infrastructure Partners (WIP) to provide program management services for the SFPUC Capital Improvement Program, for an amount not to exceed $11 million; and approving the Contract Year 3 performance fee for an amount not to exceed $497,000. (Public Utilities Commission)

(Fiscal impact; No Public Benefit Recipient.)

12/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee

2. 040093 **[Appropriate funding for program management services for the S.F. Public Utilities Commission Capital Improvement Program]**

Mayor

Ordinance appropriating $5,460,000 of fund balance from the Water Department and $1,540,000 of fund balance from Hetch Hetchy, for a total of $7,000,000 for program management services for the San Francisco Public Utilities Commission's (SFPUC) Capital Improvements Program for fiscal year 2003-04. Appropriated funds will facilitate the fourth year of the WIP contract in the amount of $6,000,000 for the Program Management Organization (PMO) and $1,000,000 for SFPUC staff and other support services.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3. 040181 **[MOU - Amendment No. 1 and Amendment No. 2, Local 21]**

Mayor

Ordinance adopting and implementing Amendment No. 1 and Amendment No. 2 to the Memorandum of Understanding between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, to be effective July 1, 2004 through June 30, 2005 setting forth: (a) an addendum of terms and conditions of employment for specified covered classes working on capital projects; (b) modifications to existing MOU language addressing eligibility for assignment pay.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4. 040002 **[Appropriate funding for the Courthouse Construction Fund to fund court facility renovations]**

Mayor

Ordinance appropriating $1,782,000 from the Courthouse Construction Fund to fund court facility renovations and a jurisdictional transfer of property under the control of the City and County of San Francisco for fiscal year 2003-04.

(Fiscal impact.)

1/6/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

5. 031640 **[Airport - Amendment to Concession Agreement and Lease Agreement for Rental Car Operations]**

Resolution approving (a) Amendment No. 1 to the Concession Agreements and Lease Agreements for Rental Car Operations between Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc., and the City and County of San Francisco, acting by and through its Airport Commission; and (b) Amendment No. 1 to the Lease Agreement for Rental Car Operations between National Car Rental Systems, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

9/26/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3 1223 06447 3011

6. 031826 **[Airport Concession Lease]**

Resolution approving Amendment No. 3 to the Amendment No. 3 to the Travelex America Inc. Lease Agreement for Foreign Currency Exchange in the New International Terminal Building and Existing Terminal Buildings at San Francisco International Airport Lease No. 99-0449 between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

10/24/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

7. 031964 **[Reserved Funds, Superior Court]**

Hearing to consider release of reserved funds, Superior Court fiscal year 2003-04 Budget, in the amount of $3,597,426 for administering the indigent defense program. (Superior Courts)

12/2/03, RECEIVED AND ASSIGNED to Budget Committee.

8. 031977 **[Amendment to Agreement for the PGA Tour to Host Tournament to be held at Harding Park Golf Course]**

Supervisor Hall

Resolution approving and authorizing an amendment to the Master Tournament Agreement with PGA Tour, Inc., for the use of Harding Park Golf Course for the PGA Tour Championship Tournament.

(Fiscal impact.)

12/9/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

9. 031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Taxi Commission, Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby, Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi, Dennis Korkos; Norma Geer; Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom
Continued to 2/25/04.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Audits Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

040194 **[Employee Catastrophic Illness Program]**

Supervisor Ammiano

Ordinance amending Section 16.9-29A(d) of the San Francisco Administrative Code to authorize employee reimbursement of the Catastrophic Illness Program upon qualification for or receipt of disability benefits and amending Section 16.9-29A(i) of the San Francisco Administrative Code to authorize employee transfer of unused hours to pool if participation in Catastrophic Illness Program expires or is terminated.

2/10/04, ASSIGNED UNDER 30 DAY RULE to Finance and Audits Committee, expires on 3/11/2004.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

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Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

City and County of San Francisco
Meeting Minutes
Finance and Audits Committee

Members: Aaron Peskin, Gerardo Sandoval, Jake McGoldrick

Clerk: Victor Young

City Hall
1 Dr. Carlton B
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, March 10, 2004 **12:30 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Aaron Peskin, Gerardo Sandoval, Jake McGoldrick.

Meeting Convened

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The meeting convened at 12:34 p.m.

REGULAR AGENDA

031975 **[Year 4 Renewal of SFPUC Program Management Services Contract]**

Resolution retroactively approving the Public Utilities Commission's approval of the fourth year renewal of Agreement No. CS-524, Program Management Services, with the Water Infrastructure Partners (WIP) to provide program management services for the SFPUC Capital Improvement Program, for an amount not to exceed $11 million; and approving the Contract Year 3 performance fee for an amount not to exceed $497,000. (Public Utilities Commission)

(Fiscal impact; No Public Benefit Recipient.)

12/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Public Utilities Commission; Monique Zmuda, Controller's Office; Harvey Rose, Budget Analyst; Mr. Leung, Local 21.

03/10/04 - Amendment of the whole bearing a new title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution retroactively approving the Public Utilities Commission's approval of the fourth year renewal of Agreement No. CS-524, Program Management Services, with the Water Infrastructure Partners (WIP) to provide program management services for the SFPUC Capital Improvement Program, for an amount not to exceed $11 million; approving the Contract Year 3 performance fee for an amount not to exceed $497,000; requiring that the PUC report to the Finance and Audits Committee as part of the PUC's annual budget review process. (Public Utilities Commission)

(Fiscal impact; No Public Benefit Recipient.)

RECOMMENDED by the following vote:

Ayes: 3 - Peskin, Sandoval, McGoldrick

040093 **[Appropriate funding for program management services for the S.F. Public Utilities Commission Capital Improvement Program]**

Mayor

Ordinance appropriating $5,460,000 of fund balance from the Water Department and $1,540,000 of fund balance from Hetch Hetchy, for a total of $7,000,000 for program management services for the San Francisco Public Utilities Commission's (SFPUC) Capital Improvements Program for fiscal year 2003-04. Appropriated funds will facilitate the fourth year of the WIP contract in the amount of $6,000,000 for the Program Management Organization (PMO) and $1,000,000 for SFPUC staff and other support services.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Public Utilities Commission; MoniqueZmuda, Controller's Office; Harvey Rose, Budget Analyst; Mr. Leung, Local 21.

03/10/04 - Amend the title on page 1, line 10 after "services" by adding "; placing $2,500,000 on reserve." and further amended on page 5, line 11 by adding "Section 2. Reserve. $2,500,000 of Contract Year 4 funds for Project Management Contract Services are placed on reserve pending a PUC report back to the Finance and Audits Committee, by July 30, 2004, as to the status of the expended and unexpended funds under the contract."

AMENDED.

Ordinance appropriating $5,460,000 of fund balance from the Water Department and $1,540,000 of fund balance from Hetch Hetchy, for a total of $7,000,000 for program management services for the San Francisco Public Utilities Commission's (SFPUC) Capital Improvements Program for fiscal year 2003-04. Appropriated funds will facilitate the fourth year of the WIP contract in the amount of $6,000,000 for the Program Management Organization (PMO) and $1,000,000 for SFPUC staff and other support services; placing $2,500,000 on reserve.

(Fiscal impact.)

RECOMMENDED by the following vote:

Ayes: 3 - Peskin, Sandoval, McGoldrick

040181 **[MOU - Amendment No. 1 and Amendment No. 2, Local 21]**

Mayor

Ordinance adopting and implementing Amendment No. 1 and Amendment No. 2 to the Memorandum of Understanding between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, to be effective July 1, 2004 through June 30, 2005 setting forth: (a) an addendum of terms and conditions of employment for specified covered classes working on capital projects; (b) modifications to existing MOU language addressing eligibility for assignment pay.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Public Utilities Commission; MoniqueZmuda, Controller's Office; Harvey Rose, Budget Analyst; Jeff Rothman, Employee Relations; David Novigrasky, Local 21; Phil Ginsberg, Deputy City Attorney; John Omele; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Peskin, Sandoval, McGoldrick

040002 **[Appropriate funding for the Courthouse Construction Fund to fund court facility renovations]**
Mayor

Ordinance appropriating $1,782,000 from the Courthouse Construction Fund to fund court facility renovations and a jurisdictional transfer of property under the control of the City and County of San Francisco for fiscal year 2003-04.

(Fiscal impact.)

1/6/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Mr. Parkline.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Peskin, Sandoval
Absent: 1 - McGoldrick

031640 **[Airport - Amendment to Concession Agreement and Lease Agreement for Rental Car Operations]**

Resolution approving (a) Amendment No. 1 to the Concession Agreements and Lease Agreements for Rental Car Operations between Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc., and the City and County of San Francisco, acting by and through its Airport Commission; and (b) Amendment No. 1 to the Lease Agreement for Rental Car Operations between National Car Rental Systems, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

9/26/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Continued to March 24, 2004.

CONTINUED by the following vote:

Ayes: 2 - Peskin, Sandoval
Absent: 1 - McGoldrick

031826 **[Airport Concession Lease]**

Resolution approving Amendment No. 3 to the Amendment No. 3 to the Travelex America Inc. Lease Agreement for Foreign Currency Exchange in the New International Terminal Building and Existing Terminal Buildings at San Francisco International Airport Lease No. 99-0449 between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

10/24/03, RECEIVED AND ASSIGNED to Finance and Audits Committee

Heard in Committee. Speakers: Dave Fifer.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Sandoval
Absent: 1 - McGoldrick

031964 **[Reserved Funds, Superior Court]**

Hearing to consider release of reserved funds, Superior Court fiscal year 2003-04 Budget, in the amount of $3,597,426 for administering the indigent defense program. (Superior Courts)

12/2/03, RECEIVED AND ASSIGNED to Budget Committee.

3/9/04, TRANSFERRED to Finance and Audits Committee.

Heard in Committee. Speakers: none.

APPROVED AND FILED by the following vote:

Ayes: 2 - Peskin, Sandoval
Absent: 1 - McGoldrick

031977 **[Amendment to Agreement for the PGA Tour to Host Tournament to be held at Harding Park Golf Course]**

Supervisor Hall

Resolution approving and authorizing an amendment to the Master Tournament Agreement with PGA Tour, Inc., for the use of Harding Park Golf Course for the PGA Tour Championship Tournament.

(Fiscal impact.)

12/9/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

8. Heard in Committee. Speakers: Elizabeth Goldstein, General Manager, Recreation and Parks.

RECOMMENDED by the following vote:

Ayes: 3 - Peskin, Sandoval, McGoldrick

031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED Heard in Committee. Speakers: Naomi Little, Taxi Commission, Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby; Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi; Dennis Korkos; Norma Geer, Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom.
Continued to 2/25/04.

Heard in Committee. Speakers: Tom Owen, City Attorney's Office; Rua Grafis.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

Continued to March 17, 2004.

CONTINUED by the following vote:

Ayes: 3 - Peskin, Sandoval, McGoldrick

ADJOURNMENT

The meeting adjourned at 2:48 p.m.

[Budget Analyst Report]
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ATTN: Michael Sherrod-Flores

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 4, 2004

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TO: Finance and Audits Committee

FROM: Budget Analyst

SUBJECT: March 10, 2004 Finance and Audits Committee Meeting

Items 1 and 2 - Files 03-1975 and 04-0093

Department: Public Utilities Commission (PUC)

Items: **File 03-1975:** Resolution retroactively approving the fourth year renewal of the PUC's Agreement No. CS-524, Program Management Services with the Water Infrastructure Partners to provide program management services for the PUC's Water System Capital Improvement Program, for an amount not to exceed $11,000,000; and approving the Contract Year 3 performance fee in an amount not to exceed $497,000.

File 04-0093: Ordinance appropriating $5,460,000 of Unappropriated Fund Balance Water Department revenues and $1,540,000 of Unappropriated Fund Balance Hetch Hetchy revenues, for a total of $7,000,000, for program management services for the PUC's Water System Capital Improvement Program for FY 2003-2004. Such funds will be expended for the fourth year of the Water Infrastructure Partners contract in the amount of $6,000,000 for Program Management Organization activities and $1,000,000 for PUC staff and other support services.

Description: On August 28, 2000, the Board of Supervisors approved a four-year contract between the PUC and the San Francisco Water Alliance for the San Francisco Water Alliance to provide program management services for the PUC's $4.6 billion combined Water System and Clean Water System Capital Improvement Program (Board

Resolution 754-00) comprising (a) approximately $3.6 billion for water capital improvement projects, and (b) approximately $1 billion for clean water capital improvement projects. The four-year contract, in an amount not to exceed $45,000,000, requires annual Board of Supervisors approval.

Since the original contract was approved, detailed planning has focussed on the $3.6 billion for water system capital improvement projects and the subject contract focuses on that portion of the PUC's total capital improvement needs. The scope, resource needs, and cost of the now separate Clean Water System Capital Improvement Program are currently under consideration by the PUC.

On June 17, 2002, during Contract Year 2 (September 22, 2001 through September 21, 2002), the Board of Supervisors approved the assignment of the subject contract from the San Francisco Water Alliance to Water Infrastructure Partners, a joint venture consisting of Jacobs Civil, Inc. and Primus Industries, Inc. (Board Resolution 98-02). On February 26, 2003, the Board of Supervisors retroactively authorized the PUC to extend Contract Year 2 by three months, from September 22, 2002 to December 21, 2002 (Board Resolution 02-1573) in order to permit the new Contractor, Water Infrastructure Partners, to perform Contract Year 2 work which had been delayed as a result of the contract assignment from the San Francisco Water Alliance to Water Infrastructure Partners. As a consequence, the term of Contract Year 3 (approved under Board Resolution 03-0024) was from December 22, 2002 to December 21, 2003.

File 03-1975: This proposed resolution would retroactively authorize Contract Year 4 (December 22, 2003 to December 21, 2004). The total cost of Contract Year 4 is not to exceed $12,000,000, including (a) not to exceed $11,000,000 for the Water Infrastructure Partners contract, and (b) $1,000,000 for the cost to the PUC of managing the contract with existing PUC personnel. The $5,000,000 balance (total Contract Year 4 costs of $12,000,000 less this request of $7,000,000) would be funded by Water System Capital Improvement Program

bond funds previously appropriated by the Board of Supervisors, according to Mr. Jim Buker of the PUC.

Amendment No. 2 to the subject contract, approved by the PUC in response to a request by the Board of Supervisors Finance and Audits Committee (Resolution No. 868-01), requires the PUC General Manager to obtain Board of Supervisors approval prior to making any performance fee payments to Water Infrastructure Partners. Under the proposed resolution, the PUC General Manager is seeking Board of Supervisors approval for a Contract Year 3 performance fee payment to Water Infrastructure Partners in the not to exceed amount of $497,000.

File 04-0093: This proposed ordinance would appropriate $7,000,000 from the funding sources shown in Table 1 below.

Source of Funds:

Table 1: Contract Year 4 Funding Sources

Funding Source	Amount
Water Enterprise: Unappropriated Fund Balance	$5,460,000
Hetch Hetchy Enterprise: Unappropriated Fund Balance	1,540,000
TOTAL:	$7,000,000

This amount of $7,000,000 would pay for (a) the $6,000,000 cost of the Water Infrastructure Partners Program Management Office (PMO), and (b) the $1,000,000 cost to the PUC of managing Contract Year 4 with existing PUC personnel, as shown in Table 2 in the "Budget" section below.

Budget:

During Contract Year 4, from December 22, 2003 to December 21, 2004, the PUC proposes to expend (a) an amount not to exceed $11,000,000 under the contract with Water Infrastructure Partners, and (b) $1,000,000 on managing the subject contract with existing PUC personnel, as shown in Table 2 below:

Table 2: Proposed Contract Year 4 Expenditures (December 22, 2003 – December 21, 2004)

Task Order No. 120-4, Subtask Order No:	Subtask Purpose	Contract Year 4 Budget	Total
	Water Infrastructure Partners Program Management Office (PMO) Activities:		
001	Contract management and resource management	$1,321,000	
002	Work plan development	275,000	
003	Staff and organization development	494,000	
004	Planning and environmental management support	993,000	
005	Program strategic support	688,000	
006	Diversity program support	370,000	
007	Program reporting	538,000	
008	Technical practices and quality assurance/quality control aupport	675,000	
009	Records management	100,000	
	Program Management Reserve (10 percent)	546,000	
	PMO Subtotal:		$6,000,000
	Water Infrastructure Partners Project Management Contract (PMC) Services:		
	Technical support for alternatives analysis and conceptual engineering reports	5,000,000	
	PMC Subtotal:		5,000,000
	TOTAL CONTRACT YEAR 4 BUDGET FOR CONTRACTOR:		$11,000,000
	The costs to the PUC of managing Contract Year 4:		
	PUC staff	400,000	
	Audit	200,000	
	Equipment, supplies, reproduction costs	50,000	
	Insurance	350,000	
	PUC Subtotal:		1,000,000
	TOTAL CONTRACT YEAR 4 COST:		$12,000,000

Mr. Steve Maiolini of the PUC advises that none of the budget for Contract Year 4, which began on December 22, 2003, has been expended to date.

Comments:

Contract Year 3 Performance, Independent Reviews, and Performance Fee Payment

1. Section 4A of the subject contract requires the PUC to submit to the Board of Supervisors an annual report on the Contractor's performance over the preceding 12 months by the December 21 contract anniversary date each year. According to the Clerk of the Board, the PUC submitted its Contract Year 3 annual report to the Board of Supervisors on December 29, 2003. The Budget Analyst notes that while this annual report is distributed by the PUC, it is prepared by the Contractor. Attachment I, provided by the PUC, contains the Executive Summary of the Contractor's annual report which lists the Contractor's self-determined 42 "major accomplishments" for Contract Year 3, from December 22, 2002 through December 21, 2003. The Budget Analyst notes that not all of these accomplishments are either quantifiable or complete. For example, two of the accomplishments are "Began development of Regional Diversity Program," and "Assisted in engineering, planning and scheduling the introduction of procedures."

2. Attachment II, provided by the PUC, summarizes the PUC's assessment of the Contractor's performance for Contract Year 3. Attachment II shows that 26 task orders were delivered during Contract Year 3. The Budget Analyst has reviewed the task order evaluation sheets completed by PUC managers who were asked to rank the Contractor's performance on a scale of 1 ("Did not deliver as agreed"), 2 ("Partial fulfillment"), and 3 ("Delivered as agreed"). The Budget Analyst notes the following:

- For PMO Subtask 02, PMO 2 – Work Plan Development, the Contractor received a total evaluation score of 2.13 out of 3.00 due to a ranking of "Partial fulfillment" for schedule, budget, and task management.
- For PMC Task Order 55-2, Irvington Tunnel/Alameda Siphons Phase II Alternative Analysis, the Contractor received a total evaluation score of 2.09 out of 3.00 due to a rankings of "Did not deliver as agreed" and "Partial fulfillment" for timeliness, responsiveness,

maintenance of workflow and schedule, and submission of progress reports.

- For PMC Task Order 57-2, Bay Division Pipelines Alternative Analysis, the Contractor received a total evaluation score of 2.19 out of 3.00 due to rankings of "Did not deliver as agreed" and "Partial fulfillment" for timeliness and submission of progress reports.
- The remaining 23 of the 26 task orders have been evaluated as "Delivered as agreed."

3. Mr. Maiolini advises that the PUC retained HDR Engineering, Inc., a Department of Public Works contractor, to undertake an independent assessment of the performance evaluations completed by PUC project managers. HDR Engineering, Inc. undertook that assessment at a cost of $37,520 and submitted its report to the PUC on January 7, 2004. HDR Engineering, Inc. concluded that:

> ... the evaluation process and results produced by the SFPUC Task Order Managers assigned to evaluate the [Water Infrastructure Partners] contract performance compared to specific performance measures and expectations during 2003 were conducted in a fair and valid manner. The cumulative evaluation results appear to be aligned with the intent of the San Francisco Board of Supervisors when they established the requirement of an independent review.

4. On the basis of the HDR Engineering, Inc. report, the PUC General Manager is requesting Board of Supervisors approval of a Contract Year 3 performance fee payment to Water Infrastructure Partners in the not to exceed amount of $497,000 (File 03-1975). Mr. Maiolini advises that, as of the writing of this report, no performance fees have been paid to Water Infrastructure Partners for Contract Year 3.

5. In fulfillment of the contractual requirement that the Contractor be independently audited, the Controller's Office has completed the following two audits:

- On June 30, 2003 the Controller's Office issued its first review of the PUC's contract with Water Infrastructure Partners. The Controller's Office reported that for the six-month period of June through December of 2002 the PUC generally found that the Contractor performed its work satisfactorily. However, the audit found that the Contractor (a) did not always comply with payment provisions, (b) made some invoice errors, (c) did not obtain PUC approval before incurring certain direct charges, and (d) incorrectly used provisional, rather than the required actual, overhead rates. The audit also found that the PUC (a) had been slow in paying the Contractor, (b) made payment errors, and (c) had not implemented prior Controller's Office audit recommendations which would assist the PUC to better manage the contract. The audit concluded that both parties needed to improve their administration of the contract, and that the PUC needed to allocate adequate staff to monitor the financial and performance aspects of the contract.
- On August 18, 2003 the Controller's Office issued its fourth and last review of the PUC's prior contract with the San Francisco Water Alliance for the six-month period of December of 2001 through June of 2002, for which final payment of invoices are anticipated to occur by midway through Contract Year 4. The Controller's Office reported that the PUC concluded that the San Francisco Water Alliance had met its performance requirements. The audit found that the San Francisco Water Alliance (a) had not always complied with payment provisions, (b) had made some invoicing errors, (c) had exceeded the maximum allowed employee labor rates, and (d) had inappropriately used provisional, rather than required actual, overhead rates. The audit also found that the PUC (a) had been slow in paying the San Francisco Water Alliance, (b) had made payment errors, and (c) had based the performance fee on billed rather than paid invoices.

Expenditures and Encumbrances to Date

6. As shown in Table 3 below, as of January 2, 2004, the PUC has total unexpended funds of $17,632,121, or approximately 39.2 percent of the $45,000,000 Water Infrastructure Partners contract budget for Contract Years 1 through 4 (September 22, 2000 through December 21, 2004).

Table 3: Contract Years 1 - 4 Budget and Actual Expenditures, as of January 2, 2004, and Encumbrances as of February 28, 2004

Contract Year and Expenditure Category	Budget	Actual Expended	Total Unexpended	Percentage Expended
Contract Year 1				
Program Management Office (PMO)	$4,100,000	$4,130,127	$(30,127)	
Project Management Contract (PMC) Services	3,900,000	3,817,297	82,703*	
Subtotal:	8,000,000	7,947,424	52,576	99.3 %
Contract Year 2				
PMO	6,000,000	5,928,247	71,753	
PMC Services	8,000,000	7,676,597	323,403*	
Subtotal:	14,000,000	13,604,844	395,156	97.2 %
Contract Year 3				
PMO	6,000,000	4,797,715	1,202,285	
PMC Services	6,000,000	1,017,896	4,982,104*	
Subtotal:	12,000,000	5,815,611	6,184,389	48.5 %
Contract Year 4				
PMO	6,000,000	0	6,000,000	
PMC Services	5,000,000	0	5,000,000*	0 %
Subtotal:	11,000,000	0	11,000,000	
TOTAL (including encumbered funds):	**$45,000,000**	**$27,367,879**	**$17,632,121****	**60.8 %**

* These unexpended PMC services funds total $10,388,210.
** Includes $6,503,033 in encumbered funds.

7. According to Mr. Buker, the PUC projects that Water Infrastructure Partners will expend the full contract amount of $45,000,000 by December 21, 2004, the ending

date of the contract, in order to escalate efforts to meet the expanding Water System Capital Improvement Program workload.

8. While the Budget Analyst supports the PUC's efforts to accelerate the design and construction of its capital improvement projects, the Budget Analyst notes that the PUC consistently underexpended contract funds on PMC services during Contract Years 1 through 3. As shown in Table 3 above, in order to fully expend the contract amount of $45,000,000 by December 21, 2004, the PUC will have to fully expend a total of $17,632,121, or approximately 39.2 percent of the $45,000,000 Water Infrastructure Partners contract budget, between the date that the Board of Supervisors approves Contract Year 4 and December 21, 2004. This amount of $17,632,121 includes $10,388,210 of unexpended PMC services funds.

In the professional judgement of the Budget Analyst, it is unlikely that the PUC will be able to expend the entire PMC services budget of $10,388,210 by December 21, 2004. Therefore, the Budget Analyst recommends that the Board of Supervisors Finance and Audits Committee reserve $2,500,000 out of the $11,000,000 Contract Year 4 budget for PMC services, pending a report back to the Finance and Audits Committee, by July 30, 2004, as to the status of the expended and unexpended funds under the contract.

9. At its April 30, 2003 meeting, the Finance and Audits Committee placed on reserve $136,000 which had been budgeted for (a) the development of outreach programs, (b) a draft crisis communications plan, other communications materials and news stories, and (c) a database of local and regional interest groups and community leaders. Ms. Annie Li of the PUC advises that these responsibilities will be performed by in-house PUC staff and that the PUC is no longer requesting release of those reserved funds.

Therefore, the Budget Analyst recommends that the Finance and Audits Committee request the Controller to

return the $136,000 in reserved monies to the Unappropriated Fund Balances.

Contract Year 4 Performance Measures

10. The long-term performance measures for Contract Years 3 and 4 remain unchanged. As shown in Table 4 below, there are seven short-term performance measures in Contract Year 4 as compared to eight in Contract Year 3.

Table 4: Comparison of Short-term Key Performance Measures in Contract Years 3 and 4

Contract Year 3	Contract Year 4
1. Update the Water System Capital Improvement Program plan.	1. Provide timely delivery of expertise to meet (expedite) the Water System Capital Improvement Program.
2. Meet MBE and WBE target goals for the Program Management Services Contract.	2. Meet MBE and WBE target goals for the Program Management Services Contract.
3. Develop and implement a training program for the PUC.	3. Support and provide timely expertise in partnership to further develop the PUC to (a) augment City staff, (b) increase and improve the quality and quantity of mentoring, and (c) develop the capacity of the organization to successfully deliver the Water System Capital Improvement Program.
4. Develop and implement a Project Planning Implementation Plan for each Water System Capital Improvement Program project.	4. Partner with PUC staff to orderly transfer consulting responsibilities to City staff or other consultants and conclude consulting services with quality and timelines.
5. Develop and implement program control information and tools.	5. Provide responsive services including development of work plans for the planning phase of Water System Capital Improvement Program projects.
6. Perform alternative analysis studies.	6. Support the PUC in the implementation of a quality assurance/quality control program.
7. Develop performance metrics criteria and methodology.	7. Timely services supporting project delivery for project management/construction management task orders.
8. Develop a quality assurance/quality control program for the integrated Water System Capital Improvement Program.	

Future Plans

11. Attachment III states that the PUC's contract with the Water Infrastructure Partners will be terminated on December 21, 2004 and that in order "to maintain continued progress on the Water System Capital Improvement Program, the PUC must manage a smooth transition of program management functions to City staff and/or other contracts that can support City staff with necessary temporary expert services." Attachment III details the PUC's plans to (a) transfer work currently performed by Water Infrastructure Partners to City staff, and (b) use as-needed contractors for their specialized expertise or to supplement staff. As stated in Attachment III, contractors and subcontractors under the current Water Infrastructure Partners joint venture will be eligible to respond to the Requests for Proposals to be issued by the PUC for future as-needed contracts.

12. As stated in Attachment III, during the three years between 2005 and 2007, the PUC estimates that it will expend a total of $6,150,000 ($2,050,000 annually) for as-needed program management services contractors. Further, according to Mr. Buker, the PUC estimates that it will expend an additional $9,000,000 ($3,000,000 annually) for as-needed engineering services contracts related to the individual capital improvement projects, resulting in total estimated contract expenditures of $15,150,000 for the three years between 2005 and 2007.

13. Due to the PUC's ongoing reliance on contractors, the Budget Analyst recommends that the Finance and Audits Committee require the PUC to report to the Committee, as part of the PUC's annual budget review process throughout the term of the PUC's Water System Capital Improvement Program, on (a) the details of all outside contractors being used, including the scope and cost of each contract, and (b) the details of all City staff working on the program, including their classifications, duties, and salary costs.

Estimated Savings

14. Attachment IV, provided by the PUC, is a summary of the savings in the amount of $312,594,000 that the PUC estimates will be generated by the subject contract with Water Infrastructure Partners. Based on a review by the Budget Analyst of the documentation provided by the PUC, the Budget Analyst is unable to verify that the Water Infrastructure Partners' contract will result in the reported estimated savings of $312,594,000.

Retroactivity

15. Although File 03-1975 is being submitted for approval on a retroactive basis, the retroactivity was primarily caused by a delay in finalizing the funding details under File 04-0093.

Recommendations:

1. In accordance with Comment No. 8 above, reserve $2,500,000 of Contract Year 4 funds for Project Management Contract (PMC) services, pending a report back to the Finance and Audits Committee by July 30, 2004, as to the status of the expended and unexpended funds under the contract.

2. In accordance with Comment No. 9 above, request the Controller to return $136,000 of monies previously reserved by the Board of Supervisors to the Unappropriated Fund Balances.

3. In accordance with Comment No. 13, amend the proposed resolution (File 03-1975) to require the PUC to report to the Finance and Audits Committee, as part of the PUC's annual budget review process throughout the term of the PUC's Water System Capital Improvement Program, on (a) the details of all outside contractors being used, including the scope and cost of each contract, and (b) the details of all City staff working on the program, including their classifications, duties, and salary costs.

4. Approval of the proposed resolution, as amended, and the proposed ordinance are policy matters for the Board of Supervisors.

Section 1- Executive Summary

In August 2000, the Board of Supervisors (BOS) approved a four-year Program Management Contract (PMC) for the San Francisco Water Alliance (SFWA), a joint venture consisting of Bechtel Infrastructure, Primus Infrastructure Company (formerly The Jefferson Company), and Jacobs Civil, Inc. (formerly Sverdrup Civil), with a provision to renew the contract term annually. The scope of work focused on providing program management services to the San Francisco Public Utilities Commission (SFPUC) and assisting in executing the Capital Improvement Program (CIP). The SFPUC sought program management support to enhance management skills and adopt the new management tools and processes needed to deliver a program on the scale of the multi-billion dollar CIP.

During Contract Year 2 (September 22, 2001 through September 2002), the Board of Supervisors approved Bechtel's withdrawal from the joint venture partnership and approved the assignment of contract #CS-524 to the newly constituted partnership. The joint venture has been restructured and operates as the Water Infrastructure Partners (WIP) under the sponsorship of Jacobs Civil, Inc. and Primus Infrastructure Company. In September 2002, the SFPUC Commission and BOS approved a resolution for a three-month time extension, which now extends the contract's anniversary date to December 21st.

Throughout Year 3 of the contract, WIP continued to work diligently with fragmented budget allocation and limited scope of work with specific work tasks and deliverables. Although WIP continues to work with a fragmented scope, progress was made during the third year of the contract. Attention continues to focus on SFPUC systems with work activities that include further development and/or implementation of project planning, project procedures, program/project controls, and training and staff development. The SFPUC Skills Bank is expanded, web-enabled, and utilized by various SFPUC departments. The training program has broadened to include courses and workshops in project management, project engineering, planning, construction law, design-build, introduction to project procedures, cost estimating, and technical seminars.

In addition, WIP assisted the SFPUC with organizational development by restructuring the Program Management Bureau (PMB) and fully integrating WIP staff with PMB staff to establish a more effective organization. WIP and PMB staff relocated to integrated offices at 1155 Market Street, on April 4, 2003.

The provisions for Key Performance Measures (KPMs) have remained in the contract, requiring an annual review of the performance by the Budget Analyst. Some of the KPMs were modified for Year 3 to be more consistent with WIP's authorized work activities and SFPUC's overall program objectives. The KPMs are divided into the following two categories – Short Term and Long Term.

- Short Term KPMs assess the performance during the third year of the Contract and include the following:
  - Annual CIP Update
  - Meet MBE/WBE target goals for PMC
  - Develop Training Programs for SFPUC Staff
  - Develop Project Planning Implementation Plan
  - Develop Program Controls Information and Tools
  - Perform Project Alternatives Analyses Studies
  - Develop Performance Metrics
  - Develop QA/QC Program for CIP Program

Attachment 1
Page 1 of 3

- Long Term KPMs assess the performance over the life of the Contract and include the following:
  - Overall Program Savings
  - Establish and Implement a QA/QC Program
  - Implement CIP Program
  - Achieve MBE/WBE Goals for Construction Contracts
  - Establish Performance Criteria
  - Establish Program Management Information Systems
  - Reduce Non-Construction Services Costs

The major accomplishments for the third year of the contract include:

- SFPUC Project Planning
  - Developed scope and work plans for alternative analyses studies on 10 time-critical CIP projects to be performed by SFPUC and WIP personnel.
  - Developed strategies and processes for the implementation of the regional system programmatic EIR process.
  - Coordinated technical and program management activities for EIR documentation.
  - Assisted SFPUC with the development of the Annual Update to the CIP.
  - Performed alternative analyses on major CIP projects by WIP and SFPUC to advance the progress of the CIP.
  - Furnished world-renowned expertise in seismic engineering to achieve high levels of seismic-resistant design of CIP facilities.
  - Assisted with environmental permitting via development of permits database and guidelines for timely permit acquisition.

- Minority and Women Owned Business (M/WBE) Utilization
  - Remained committed to M/WBE utilization within the PMC team, as well as support of SFPUC outreach efforts to M/WBE construction contractors.
  - Maintained significant roles for M/WBE firms within the PMC team.
  - Implemented an employment training program and placed economically disadvantaged workers on SFPUC construction projects.
  - Began development of Regional Diversity Program.

- Staff Training and Organizational Development
  - Created more efficient user-friendly Skills Bank with accompanying website: http://skills.sfwater.org
  - Transferred responsibility for technical and maintenance support to SFPUC ITS.
  - Expanded SFPUC Skills Bank enrollment to 387 SFPUC staff.
  - Utilized Skills Bank to identify over 45 individuals interested in Project Controls training, rotational and/or career opportunities; 41 for rotational opportunities in Operations, and 78 requesting Project Management training, among others.
  - Organized over 20 training sessions, education programs, and technical seminars involving staff from throughout the SFPUC and from other city departments, approximately 135 hours and more than 150 staff.
  - Coordinated 18 brown bag presentations totaling 27 hours with attendance ranging from 15 to over 60.
  - Assisted in organizing and managing 7 team development sessions (with a selected group of PMs, PEs and REs; average attendance 15).

- Supported creation and execution of 2 retreats (attendance 96 and 52), and 2 workshops for/with Project Controls (17 and 30 in attendance).
- Provided team-building support to 4 Project Teams.
- Participated in 3 Project Partnering sessions.
- Assisted in formation and execution of the SFPUC Quality Initiative Council, including materials (133 attended kickoff).
- Wrote 6-month Transition Plan for transitioning work responsibilities to a SFPUC employee.

- Program Control and Information Management Systems
  - Completed CIP Program document including schedule and cost estimate for 77 projects, 40 local and 37 regional.
  - Assisted SFPUC throughout the pilot development process of Program Controls software (P3E).
  - Reissued the Measures A & B Projects Status Report (77 projects).
  - Refined system to track discipline hours during design phase; pilot underway on 2 projects.
  - Improved quantification of scope for 20 CIP projects.
  - Developed and supported individual project schedules for 77 local and regional projects.
  - Refined Project Cost Estimates for 37 regional projects.
  - Developed and supported the CIP Monthly and Annual Reports.
  - Assisted SFPUC Management in the allocation of the 2003/2004 Funding Appropriation across the new projects and phases.

- Establish Quality Control / Quality Assurance Program for CIP Program
  - Introduced technical design and controls procedures to ensure adherence to project design schedules and deliverables.
  - Assisted in engineering, planning and scheduling the introduction of procedures.
  - Refined and expanded Project Development Process description, Flow Charts and Check Lists for each phase of project development.
  - Provided individual assistance on specific projects for the introduction and implementation of Project Procedures.
  - Prepared, revised and submitted 44 new SFPUC Project Procedures for implementation: PMB (4), Engineering (27), Construction (10), Project Controls (2), and Quality Control (1).
  - Refined and expanded project procedure work flow processes that detail each phase of the project life cycle including Project Team member identification, deliverables, approval requirements and team member work process evaluation.
  - Developed and refined standard work hours estimating procedures for Utilities Engineering Bureau and Construction Management Groups.
  - Submitted CIP Quality Program Plan Procedures for SFPUC implementation.
  - Developed draft workflow process that details the Environmental Coordination and interfaces.
  - Prepared draft coordination and interface matrix for PMB personnel.

A more detailed discussion of the WIP performance measured against the KPMs is presented in Section 2, for Short Term KPMs and in Section 3 for Long Term KPMs. A summary of the evaluation of the task orders awarded to the WIP in the third year is presented in Section 4.

SFPUC
WATER
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CLEAN WATER

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MEMORANDUM

DATE: December 10, 2003

TO: Alan Gibson, Board of Supervisors Budget Analyst

FROM: steve maiolini, CIP Group, SFPUC

SUBJECT: Attachment II: Year 3 PERFORMANCE EVALUATIONS SUMMARY

The following is a summary of the PUC's current assessment of the Consultant's performance for Contract Year 3.

Task Order	Description	SFPUC's Evaluation Score*	%
PMO-01	WIP Oversight and Administration	2.84	95
PMO-02	Work Plan Development	2.13	71
PMO-03	Staff and Organization Development	3	100
PMO-04	CIP and Environmental Planning	3	100
PMO-05	Communications and Public Information	2.5	83
PMO-06	Diversity Program Support	3	100
PMO-07	Program Controls and Reporting	2.9	97
PMO-08	Cost Estimating Database	3	100
PMO-09	Engineering Practices	2.9	97
PMO-10	Records Management	3	100
PMO-11	Graphic Design and Audio/Visual Support	3	100
PMO-12	Quality Assurance and Quality Control Planning	2.8	93
PMO-13	Construction Management Plan	2.64	88
55-2	Irvington Tunnel - Alternatives Analysis	2.09	70
56-2	Pulgas Dechloramination Project Field Inspection	3	100
57-2	Bay Division Pipelines - Alternatives Analysis	2.19	73
58-2	Reliability Study – Phase III	3	100
60-2	Crystal Springs Bypass Tunnel - CER	3	100
61-2	Baden Pump Station Resident Engineer	3	100

* Subject to confirmation by the Independent Review Panel (IRP).

64-2	Regional Water System Performance Standards	3	100
67-2	Seismic Upgrade, BDPL 3 and 4, Hayward Fault	3	100
71-2	San Joaquin Pipeline No. 4 – Needs Analysis	3	100
73-2	Wastewater System Reliability Study	3	100
74-2	Communications Support	2.9	97
75-2	Executive/Commission Team Building	3	100
79-3	Polhemus Creek Slope Monitoring Program	3	100

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MEMORANDUM

DATE: February 3, 2004

TO: Alan Gibson, Board of Supervisors Budget Analyst

FROM: steve maiolini, SFPUC

Jim Buker, SFPUC

SUBJECT: ATTACHMENT III: WIP TO PUC TRANSFER PLANS

Since the commencement of the Program Management Services contract, the PUC has recognized the temporary nature of the contract. The Program Management Services contract will be terminated on December 21, 2004. To maintain continued progress on the Water System Capital Improvement Program the PUC must manage a smooth transition of program management functions to City staff and/or other contracts that can support City staff with necessary temporary expert services.

During Contract Year 3, under the direction of the Assistant General Manager for Infrastructure, Harlan Kelly Jr., the work of the PMO task orders has been organized such that in all cases WIP staff work in an integrated manner with City staff. City staff directs the work and WIP staff provides specialized expertise and/or supplemental services to address the temporary lack of sufficient City staff to maintain progress of the CIP. Also, WIP staff has shared critical program data with City staff on an on-going basis and, in most cases, City staff already has access to all Water System CIP information developed by WIP during the contract. This relationship between City staff and WIP staff will continue during Contract Year 4. Since management responsibility for the tasks already resides with City staff the focus of the Transition Plan is to assure that sufficient personnel resources, either City staff or replacement consultant resources, are in place at the appropriate time such that sufficient overlap is provided for a smooth transition of program management activities. Where necessary, special attention will be given to assure that all Water System CIP data developed by the contractor is transferred to the City during Contract Year 4.

Continuing emphasis has been placed on transferring knowledge and skills to City staff such that many tasks that WIP has been handling will become the responsibility of City staff by the end of Contract Year 4. However, in several cases, replacement contracts for specialized expertise or supplemental staff to address rapidly increasing and dynamic workloads will be required.

The attached Program Management Services Contract Transition Plan describes the transition of the PMO task orders as well as the Year 4 programmatic task order for Program Controls funded by the PM/CM portion of the contract.

For each task order, the table shows the number of WIP personnel budgeted for the task order, in FTE's and the number of City staff working in an integrated manner with the WIP personnel to carry out the work associated with the task order. In most cases, the number of City staff equals or exceeds the number of WIP staff, demonstrating the consultant's integration with and support of existing City staff. Overall, during Contract Year 4, about 30 FTE's of WIP staff will be working with and supporting the work of about 42 City staff.

As Contract Year 4 ends the transition plan calls for an additional 26 City staff to be assigned to handle the tasks currently handled by the WIP staff, for a total of 68 City staff providing the Program Management Services associated with the WIP PMO and Program Controls task orders.

In addition to the 68 City staff, the PUC forecasts a need for about 9 FTE's of temporary expert professional services for PMO Program Management Services, which represents a significant reduction from about 30, FTE's during Contract Year 4. During FY 04-05, PUC's expenditures for contractors for Program Management Services will significantly decline relative to the PUC's expenditures on City staff.

During 2005 through 2007, the estimated total for as-needed contractors represents about 2% of total Water System CIP expenditures. In future years as total program expenditures increase, expenditures for contracts for Program Management Services will decline as a percentage of total Water System CIP expenditures, and the total expenditures for contractors for Program Management Services will be significantly less than 2% of the total Water System CIP.

The PUC forecasts the need for the following contracts for Program Management Services over the next three years for specialized expertise or supplemental staff to address rapidly increasing and dynamic workloads:

Program Management Services	**Estimated FTE's/Year**	**Estimated Contract Amount/Year**
Strategic Planning, Organization Process Improvement & Facilitation	1.5	$350,000
Environmental Management Support	2	$450,000
Program Strategic Support Services	2.5	$600,000
Program Controls & Reporting Services	3	$650,000
TOTAL Program Management Services Contracts	9	$2,050,000

These additional staff and these professional services contracts for Program Management Services are a subset of all of the new hires and professional services contracts that the PUC will require to ensure progress of the Water System CIP.

In addition to the above four contracts that will address the Program Management portion of the contract, the PUC will require an Engineering Services As-Needed contract, to supplement City staff and to replace WIP services for PM/CM portion of the Program Management Services contract for preliminary and conceptual planning services.

The attached chart, SFPUC Capital Programs Staffing Plan, shows that both SFPUC staff and consultant contracts will grow significantly in the later half of FY 03-04 and FY 04-05. A significant portion of the consultant work will be procured through project-specific RFP's. In addition, an As-needed Engineering Services will be required to supplement City staff to address needs for specialized expertise and peak workloads. PUC estimates the As-needed Engineering Services contracts, which will be awarded to multiple firms may provide a total of about 15 FTE's of professional services and the sum of the multiple As-needed Engineering Services contracts may total about $3,000,000 per year.

Subject to State of California, City Attorney and PUC policies regarding conflict of interest and prohibitions of uncompetitive advantage, the contractors and sub-contractors of the existing Program Services contract will be eligible to respond to the Requests for Proposals for the above listed as-needed contracts.

Individual Task Order Transition Plans:

1. **Contract Management/Resource Management:** The contract management task for WIP PMO and PM/CM portions of Program Management Services Contract ends with this contract, except to the extent that contract management services are embedded within subsequent consultant contracts.
2. **Work Plan Development:** Additional existing staff will be trained to develop engineering project work plans. Knowledge transfer of this task to Engineering Design Bureau staff will be complete by December 2004.
3. **Staff and Organization Development:** Two additional staff will be hired and assigned to supplement the 1.25 FTE's of existing staff. In addition, one or more As-needed contracts will be created by June 2004 to supplement City staff in the critical work of developing the SFPUC Capital Programs organization to effectively manage the challenges of the Water System CIP.
4. **Planning and Environmental Management Support:** Three additional SFPUC staff will be hired by March 2004 and seven additional SFPUC staff will be hired by December 2004 to supplement the existing 6 City staff FTE's. Three additional staff will be hired at Department of City Planning by July 2004. In addition an Environmental Management Support contract will be issued by October 2004, to supplement City staff in addressing the growing workload and to provide specialized expertise in the tracking and management of program environmental and permitting issues.

5. **Program Strategic Support:** Approximately four FTE's of City senior management effort are currently devoted to addressing program-wide strategic issues and developing the organization's capacity to successfully deliver the Water System CIP. This is an estimate of the portion of full-time workloads of about a dozen senior managers devoted to these tasks. An increase in City senior management effort, approximately equal to one additional FTE of senior management effort will be dedicated to these tasks as the transition proceeds. PUC anticipates a continued need for about 2 FTE's of advisory Program Strategic Support Services by various experts experienced in the delivery of multi-billion dollar capital programs for a period of 2-3 years following the conclusion of Contract Year 4. The same contract may provide specialized expert advice on continued development of PUC's capital program delivery processes and procedures. There will be a three-month overlap between commencement of the new contract and the end of WIP services.
6. **Diversity Program Support:** Seven existing Human Rights Commission staff will be supplemented by hiring three additional HRC staff by July 2004. PUC also plans to hire one staff to work with HRC staff to develop an economically disadvantaged business enterprise program for the regional portion of the CIP. WIP services are forecasted to end in August 2004, after a one-month transition period.
7. **Program Reporting and PM/CM Program Controls:** About 11 existing city staff will be supplemented by five newly hired or assigned City staff by June 2004. After a three-month transition period services by WIP will end in August 2004. The PUC forecasts a continued need for about 2 FTE's for scheduling and 1 FTE for program reporting tasks on an as-needed basis primarily to address peak workload situations as the planning, design, and construction work of the CIP accelerates.
8. **Technical Practices QA/QC Support:** The development of updated procedures and technical standards to support delivery of the Water System CIP will be substantially complete by the end of Contract Year 4. The peak workload for this task has passed and PUC will generally be able to rely on City staff. The Program Strategic Support Services contract, described within Task Order 5 may provide as-needed temporary specialized expertise when specific needs arise.
9. **Records Management:** Three existing City staff will be supplemented by the hiring by November 2004 of one staff person with specialized document control system management skills. A transition period of one month is planned for this task.

Transition Plan 1/30/04

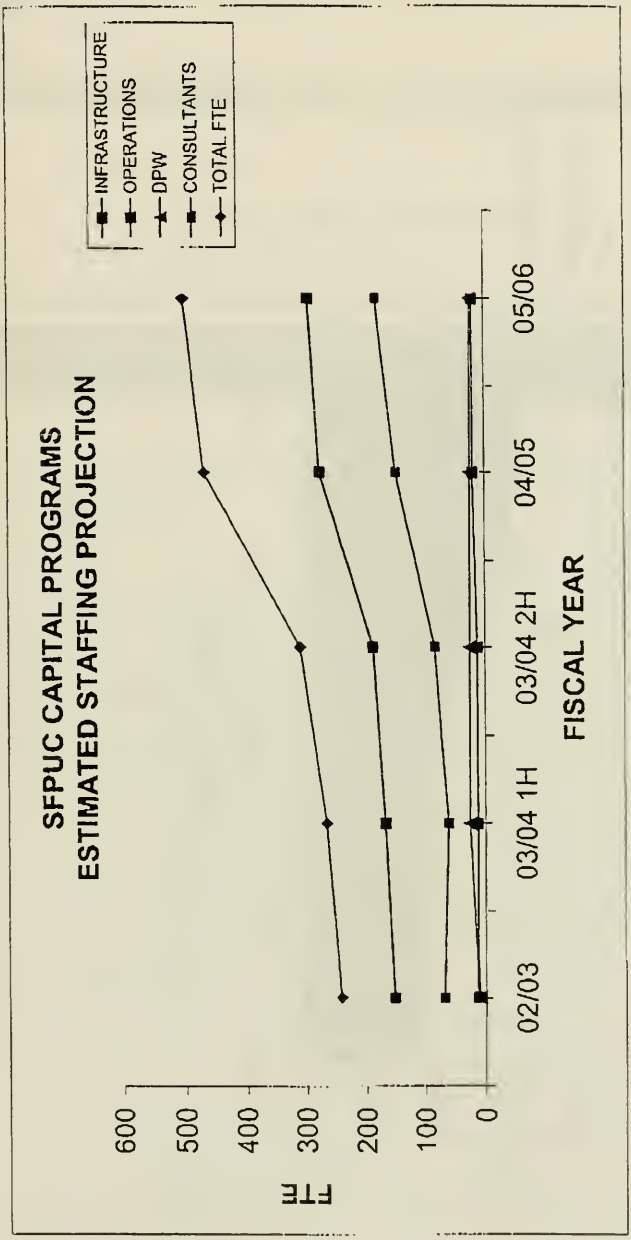
WIP Contract Year 4 12/22/03 – 12/21/04			SFPUC Transition Plan 12/03 – 12/04					
Task Order	**WIP FTE's**	**Associated City Staff FTE's**	**Responsible Manager**	**New City Staff**	**Replacement Contract FTE/year**	**Issue RFP**	**Staff or Contract Start**	**WIP Services End**
1. Contract Management/ Resource Management	(7.5)	(2.5) PMB (0.25) DPW (2.75)	Steve Maiolini					Dec. '04 + Contr. Close-out
2. Work Plan Development	(1)	(3) EDB-Plan'g (2) EDB-Des (5)	Steve Maiolini	Train additional EDB staff	None. Knowledge transfer complete by Dec. '04			Dec. '04
3. Staff & Organization Development	(1.5)	(0.25) PMB (0.5) DHR (0.5) DPW (1.25)	Jim Buker	(1) PUC Training Off. (1) PDS-QA			Oct. '04	Dec. '04
					Strategic Planning, Organization Process Improvement, & Facilitation Services; 1.5 FTE/year; Expertise, peak workload, & unanticipated need	Feb.'04	June '04	
4. Planning & Environ. Management Support	(4)	(6) PLAN	Michael Carlin	(3) PLAN (7) PLAN			Mar. '04 Dec. '04	Dec. '04
					Environmental Management Support; 2 FTE/year; Expertise & peak workload	Apr. –'04	Oct. –'04	
			DCP/MEA	(3) DCP/MEA			July '04	

Legend

[ ] Shading indicates: Not Applicable

CCO	Contract Compliance Officer
CMB	SFPUC Construction Management Bureau
DCP/MEA	Department of City Planning – Major Environmental Analysis
DHR	Department of Human Resources
DPW	Department of Public Works
EDB	SFPUC Engineering Design Bureau
FTE	Full Time Equivalcnt
HRC	Human Rights Commission
IRM	SFPUC Infrastructure Resources Management
ITS	SFPUC Information Technology Services
PDS-QA	SFPUC Program Development & Support – QA/QC
PDS-PC	SFPUC Program Development & Support – Program Controls
PLAN	SFPUC Planning Bureau
PMB	SFPUC Project Management Bureau
WIP	Water Infrastructure Partners

WIP Contract Year 4 12/22/03 – 12/21/04			SFPUC Transition Plan 12/03 – 12/04					
Task Order	**WIP FTE's**	**Associated City Staff FTE's**	**Responsible Manager**	**New City Staff**	**Replacement Contract FTE/year**	**Issue RFP**	**Staff or Contract Start**	**WIP Services End**
5. Program Strategic Support	(2)	(3) PMB (1) PDS-PC (4)	Jeet Bajwa	(1) PMB			June '04	Dec. –'04
			Bureau Chief of Program Development Support		Program Strategic Support Services; 2.5 FTE/year; Expertise & unanticipated need	Apr. –'04	Oct. –'04	
8. Technical Practices QA/QC Support	(2.5)	(1.5) PDS-QA	Don Munakata	Peak workload over; rely on existing staff				Dec. –'04
6. Diversity Program Support	(2)	(3) HRC @ PUC (4) HRC (7)	Virginia Harmon Director, HRC	(1) CC Manager (1) CCO 2 (1) HRC Rep (3)			July '04	Aug. '04
			Karen Watson	(1) 2917 Prog Support			March '04	
7. Program Reporting	(2.5)	(2) IRM (3) ITS (0.5) DPW (5.5)	Jocelyn Quintos	(1) Admin. Analyst	Program Controls & Reporting; 3 FTE/year; Expertise & peak workload	Feb.'04	June '04	Aug. '04
PM/CM Program Controls	(5.5)	(6) PDS-PC	Bureau Chief of Program Development Support	(4) 5206 Utility Spec.				
9. Records Management	(1)	(3) IRM	Karen Watson	(1) Doc. Controls			Nov. '04	Dec. '04
Total FTE's	**29.5**	**42**		**26**	**9**			


SFPUC CAPITAL PROGRAMS
ESTIMATED STAFFING PROJECTION
INFRASTRUCTURE
OPERATIONS
DPW
CONSULTANTS
TOTAL FTE
FTE
600
500
400
300
200
100
0
02/03
03/04 1H
03/04 2H
04/05
05/06
FISCAL YEAR

SFPUC CAPITAL PROGRAMS
ESTIMATED STAFFING PROJECTION
CONSULTANTS
DPW
OPERATIONS
INFRASTRUCTURE
FTE
600
500
400
300
200
100
0
02/03
03/04 1H
03/04 2H
04/05
05/06
FISCAL YEAR

SFPUC
WATER
HETCH HETCHY WATER & POWER
CLEAN WATER

San Francisco Public Utilities Commission
1155 Market St., 6th Floor, San Francisco, CA 94103
Telephone: (415) 554-1853 • Fax: (415) 551-4695
Email: smaiolini@sfwater.org

MEMORANDUM

DATE: November 11, 2003

TO: Alan Gibson, Board of Supervisors Budget Analyst

FROM: steve maiolini, CIP Group, SFPUC

SUBJECT: ATTACHMENT IV: Summary of cost savings

KPM No. 1	Accomplishments	WIP	Benefit
Overall Program Savings	➢ Significant cost savings from WIP support on the program are attributed to reductions in capital and long-term costs, and to containment of program cost growth.		➢ Capital program cost reduction of $94,594,000. ➢ Long term cost reduction of $60,000,000. ➢ Cost growth containment of $158,000,000. ➢ Total estimating program savings of $312,594,000.
	Capital Program Cost Reduction		
	$47,000,000	Bay Division Pipelines evaluations. See item 1.	
	$25,594,000	Contractor outreach program. See item 2.	
	$22,000,000	CIP program procedures. See item 3.	
	Long Term Cost Reduction		
	$22,000,000	Reduction in maintenance costs. See item 4.	
	$10,000,000	Reduction in operating costs. See item 5.	
	$28,000,000	Reduction in post-earthquake outage. See item 6.	
	Cost Growth Containment		
	$22,000,000	Construction claims reduction. See item 7.	
	$22,000,000	Construction change order reduction. See item 8.	
	$4,000,000	Time savings from rapid mobilization. See item 9.	
	$110,000,000	Bay Division Pipelines. See item 1.	
Total	$312,594,000		

Item 3 - File 04-0181

Departments: Department of Human Resources (DHR)
Public Utilities Commission (PUC)
Department of Public Works (DPW)
Airport
Port
Recreation and Park Department (REC)
Municipal Transportation Authority (MTA)

Item: Ordinance adopting and implementing Amendment Nos. 1 and 2 to the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21 and the City and County of San Francisco to be effective Fiscal Year 2004-2005 (July 1, 2004 though June 30, 2005) setting forth (a) an addendum of terms and conditions of employment for specified covered classes working on capital projects; and (b) modifications to existing MOU language addressing eligibility for assignment pay.

Description: The proposed ordinance would approve Amendment Nos. 1 and 2 to an existing Memorandum of Understanding (MOU), for the period of July 1, 2004 through June 30, 2005, between the International Federation of Professional and Technical Engineers (IFPTE), Local 21 and the City and County of San Francisco. The proposed Amendment No. I states that the purpose of this legislation is to "promote efficiency of design, construction management and project management operations for the City's capital projects and provide for efficient resolution of labor disputes and grievances, thereby promoting the public interest in assuring the timely and economical completion of capital projects." In Attachment I, a memorandum provided by Mr. Geoffrey Rothman of DHR, Mr. Rothman explains how the subject amendments are intended to promote efficiency for the Water System's Capital Improvement Plan (CIP) projects.

According to Mr. Phil Ginsburg of the City Attorney's Office, the proposed amendments provide for (a) a Pilot Capital Project Incentive Program, (b) salary adjustments and assignment pay for specific classifications, explained in more detail below, effective for Fiscal Year 2004-2005 from July 1, 2004 through June 30, 2005, when the existing MOU expires. According to Mr. Ginsburg, the continuation, subsequent to

June 30, 2005, of the Pilot Capital Project Incentive Program, salary adjustments and assignment pay described below would be subject to negotiation in advance of a new MOU agreement commencing July 1, 2005, subject to future approval by the Board of Supervisors.

Pilot Capital Project Incentive Program

Attachment II, provided by Mr. Ginsburg, is a list of the 47 job classifications covered by the MOU. According to Mr. Ginsburg, the subject two proposed amendments cover all City departments that utilize employees in the 47 job classifications specified in Attachment II. According to Mr. Ginsburg, the departments most affected by the amendments would be the PUC, DPW, Airport, Port, REC, and the MTA. Mr. Ginsburg reports that there are approximately 1,000 employees in the 47 covered job classifications (see Comment No. 3).

According to Mr. Ginsburg, employees in the covered job classifications would be eligible to receive a performance-based monetary incentive equal in total to 50 percent of the savings attributable to the effective delivery of capital projects, as certified by the Controller (see Comment No. 2), relative to established benchmarks, with individual employees receiving up to a maximum of three percent of their base salary. Mr. Ginsburg states that each department with employees in the covered job classifications would calculate a uniform bonus for all covered employees in that department, and the bonus would be considered compensation for purposes of pension calculations. On page 6 of Attachment I, Mr. Rothman explains the rationale behind the incentive pay proposed in these amendments.

Additionally, Mr. Rothman reports on page 6 of Attachment I that performance criteria and benchmarks have not yet been developed by the Controller's Office and a Joint Union and City Management Committee (JUCC) that would be created under provisions in the proposed amendments. Mr. Rothman further advises that such performance criteria and benchmarks are to be completed no later than April 15, 2004 (see Comment No. 3). According to Mr. Rothman, the JUCC will consist of five members selected jointly by the PUC and the DPW and five members selected by IFPTE, Local 21.

According to the proposed ordinance, the Pilot Capital Project Incentive Program would be effective from July 1, 2004 through June 30, 2005. As stated previously, according to Mr. Ginsburg, the continuation of the Pilot Capital Project Incentive Program, subsequent to June 30, 2005, would be subject to negotiation in advance of a new MOU agreement commencing July 1, 2005, subject to future approval by the Board of Supervisors.

Salary Adjustments

In addition to the above Pilot Capital Project Incentive Program, the covered employees will also be entitled to the following salary adjustments:

1. **Design Specialty Adjustments**: The salary of 5203 Assistant Engineer positions will be increased by two percent to align the salary at parity with 5265 Architectural Associate I positions and with 5262 Landscape Architectural Associate I positions. Additionally, the Principal Engineer and Principal Architect position salaries shall be merged and set at three percent above the current salary for Principal Engineer. On page 6 of Attachment I, Mr. Rothman explains the rationale for the proposed salary adjustments.

2. **Compaction Correction**: According to Mr. Rothman, compaction is defined as an insufficient difference in salaries between subordinate and superior classes in a series. For example, the salary of a Clerk Typist might be only slightly less that the salary of a Senior Clerk Typist. To address compaction issues arising from the proposed MOU amendments, the proposed amendments will increase the salary by two percent for the following technical engineering positions: Mechanical Engineering Associate I, Electrical Engineering Associate I, Civil Engineering Associate I, and Engineering Associate II. On page 6 of Attachment I, Mr. Rothman explains the rationale for the proposed salary adjustments.

Assignment Pay Increases

In addition to the Pilot Capital Project Incentive Program and Salary Adjustments described above, the covered employees will also be entitled to the following assignment pay:

1. **Leadership Pay**: Employees that perform certain leadership duties are eligible to receive a five percent premium over base salary for hours that such duties are actually performed. Such leadership duties include Project Engineer, Architect, Landscape Architect, Resident Engineer, Computer Aided Design (CAD) Manager (technical engineering classes only), and Flexible Lead (defined as a leader of one's peers) positions. On pages four and five of Attachment I, Mr. Rothman explains the rationale for the proposed Leadership Pay.

2. **Special Skills Pay**: Employees that perform certain specialized duties nearly full-time are eligible to receive a five percent premium over base salary for the duration of the assignment. Such specialized duties include Scheduler, Cost Estimator, and Geotechnical Engineer positions. On pages four and five of Attachment I, Mr. Rothman explains the rationale for the proposed Special Skills Pay.

3. **Public Utilities Commission/ Capital Improvement Projects Planning Function Assignment Pay**: Employees that perform certain duties including the directing of environmental reviews and regulatory compliance for the City's Capital Improvement Projects and their deliverables from the planning phase to post-construction will receive a five percent premium over base salary for hours that those duties described above are actually worked. Such positions include Planner II, Planner III, Planner IV, Regulatory Specialist, Utility Specialist, and Biologist I and II positions. On page 6 of Attachment I, Mr. Rothman explains the rationale for the proposed premium pay.

According to the proposed ordinance, the proposed salary adjustments and assignment pay would be paid through the MOU, beginning July 1, 2004 through June 30, 2005. As stated previously, according to Mr. Ginsburg, the continuation of paying such salary adjustments and assignment pay described above would be subject to negotiation in advance of a new MOU agreement commencing July 1, 2005, subject to future approval by the Board of Supervisors. According to Mr. Ginsburg, it is possible that the continuation of such salary adjustments and assignment pay could be denied.

The proposed MOU amendment would also provide for continuous testing to produce ranked lists of potential employees. According to Mr. Rothman, continuous testing means that once a job is announced, it stays open, which allows new candidates to apply for and test for such positions continuously. Also, the proposed amendments adhere to certain certification rules, called "Rule of the List," where candidates are ranked according to test scores and any individual who qualifies for the position can be hired from the list. This certification rule contrasts with, for example, the "Rule of Three" where a department can only select from the candidates on a list with the three highest test scores.

Comments:

1. According to Mr. Rothman, it is "highly unlikely" that someone could receive more than one of the salary adjustments or assignment pay increases described above. However, the Budget Analyst notes there is no prohibition under this proposed legislation to prevent an individual covered employee from receiving more than one salary adjustment or assignment pay increase. For example, an employee could receive both Leadership Pay and Special Skills Pay, for a total salary increase of 10 percent. Further, that employee could also be eligible to receive incentive pay under the Pilot Capital Project Incentive Program, which could represent a further three percent over base salary.

2. According to Ms. Monique Zmuda of the Controller's Office, the Controller is currently in discussions with the City's labor negotiators concerning the implementation of the certification of savings for the Pilot Capital Project Incentive Program. Ms. Zmuda states that the Controller will be able to provide more information on this provision directly to the Finance and Audits Committee at the meeting of March 10, 2004. The Budget Analyst recommends that the Controller submit a written report to the Finance and Audits Committee explaining the final methodology for determination of the "certification of savings" pertaining to the Pilot Capital Project Incentive Program.

3. According to Mr. Rothman, the performance criteria and benchmarks for the Pilot Capital Project Incentive Program have not yet been developed by the Controller's Office and the JUCC. Such criteria and benchmarks are anticipated to be completed no later than April 15, 2004. The Budget

Analyst recommends that the Controller's Office and the JUCC submit a written report to the Finance and Audits Committee detailing the performance criteria and benchmarks developed for the Pilot Capital Project Incentive Program.

4. According to Mr. Rothman on page one of Attachment I, the proposed MOU amendments intend to "aid the City in its completion of capital projects, most significantly the PUC's Capital Improvement Program to rebuild the Hetch-Hetchy water system." However, the Budget Analyst notes that the MOU amendments cover approximately 1,000 design, construction management, and project management employees in six City departments, as listed in Attachment II, irrespective of whether or not the employees are working on capital improvement projects (with the exception of the Assignment Pay increases, which specify that eligibility is based on work performed on CIP projects). Additionally, the Budget Analyst notes that the allocation of a uniform bonus in the Pilot Capital Project Incentive Program to all applicable employees in a department does not distinguish between those specific employees who identified the savings attributable to the effective delivery of capital projects and those employees who were working on unrelated projects.

5. On pages three and four of Attachment I, Mr. Rothman states that the proposed MOU amendments are necessary in order to (a) recruit and retain "quality personnel ... in the current highly competitive environment for professional engineers and related capital project occupations," (b) hire as quickly as possible, (c) create professional opportunities "for as many city personnel as possible," (d) recognize employee skills, (e) facilitate "management flexibility and discretion in assignments," and (f) create "incentives for achieving project savings."

The Budget Analyst questions that the above reasons, as stated by Mr. Rothman, justify the proposed pay increase in the current depressed job market, particularly given: (a) the lack of evidence provided regarding job market factors, such as low recruitment or retention rates, (b) the lack of analysis of the specific reasons for hiring delays in the City's current recruitment and hiring process, (c) the promotional and skills development opportunities being provided by the new Water System CIP positions already in place for the PUC, and (d)

City departments' existing ability to substitute or create, through the budgetary process, appropriate job classifications to achieve desired work outcomes.

6. According to Ms. Michelle Allersma of the Controller's Office, estimates of the cumulative cost of the subject amendments, above the existing FY 2004-2005 MOU provisions, will be provided directly to the Finance and Audits Committee at the meeting of March 10, 2004

Recommendations:

1. In accordance with Comment No. 2, request the Controller's Office to submit a written report to the Finance and Audits Committee explaining the final methodology for determination of the "certification of savings" pertaining to the Pilot Capital Project Incentive Program.

2. In accordance with Comment No. 3, request the Controller's Office and the Joint Union and City Management Committee (JUCC) to submit a written report to the Finance and Audits Committee upon final development of the performance criteria and benchmarks for the Pilot Capital Project Incentive Program.

3. Because the Budget Analyst has not reviewed (a) either how the "certification of savings" will be determined by the Controller's Office for the monetary incentives to be paid under the Pilot Capital Project Incentive Program, (b) the performance criteria and benchmarks for the Pilot Capital Project Incentive Program as developed by the Controller's Office and the JUCC, or (c), the Controller's cost estimates pertaining to the fiscal impact of this proposed legislation, the Finance and Audits Committee may wish to continue this item until such information is made available for an independent analysis by the Budget Analyst.

4. Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

March 2, 2004

To: Office of the Budget Analyst
From: Geoffrey Rothman, ERD

Re: Local #21 MOU CIP Amendment

This memo responds to your Office's request for supplemental information regarding how the Local 21 Capital Projects MOU Addendum ("Amendment") will aid the City in its completion of capital projects, most significantly the PUC's Capital Improvement Program to rebuild the Hetch-Hetchy water system. We believe that all of your questions are answered below.

I
Background

A. The Importance of the PUC's CIP and Related Capital Projects

The PUC's water delivery system serves nearly 2.4 million customers in four Bay Area counties. Using a complex system of dams, reservoirs, treatment plants, pump stations, tunnels, pipelines, and valves, the PUC transports much of its water to the Bay Area from the Hetch Hetchy Reservoir nearly 150 miles away.

Some parts of the PUC's water delivery system are nearly 75 years old and are in dire need of repair and replacement. Parts of the system do not meet modern seismic standards.

Over the last decade, the PUC has attempted to repair its water delivery system. The PUC has now developed a master capital plan to modernize and voters passed Propositions A and E to ensure that funding is available to complete this ambitious program in a timely manner.

Yet, stakeholders at the state level and in other Bay Area counties have expressed concerns. In February 2000, for example, the State Auditor issued a report expressing serious concerns about the PUC's ability to complete this project and noted:

> Given the size, complexity, age, and declining condition of the commission's water delivery system, this project completion rate appears low. There are many reasons....ranging from a shortage of project managers on staff to operational deficiencies such as a lack of up-to-date procedures for awarding contracts and for planning, designing, and constructing capital projects.

The State Auditor issued recommendations that the PUC improve contracting, hiring, cost and schedule estimating among other operational issues.

B. The 2003-2005 Negotiation Process with Local 21

Negotiations with Local 21 over a successor MOU, effective July 1, 2003 began in February 2003. The City entered into negotiations facing a historic budget deficit and significant retrenchment in the size of City government. Ultimately, the City asked all of its labor unions for $90 million in wage concessions and eliminated approximately three hundred (300) positions from the City budget.

In such a difficult economic climate, the City's negotiation objectives with Local 21 over the PUC's CIP and other significant capital projects were unique. First, capital projects were the one growth industry in the City. In addition to the PUC's CIP, the City is also involved with such major capital projects as the PUC's Clean Water Program, the Laguna Honda Hospital program, and the Third Street Light Rail extension. Although most City departments were forced to cut programs and reduce services, the PUC is increasing staffing to meet the demand for service. Second, capital projects have little general fund impact. Third, the City needed to negotiate increased management flexibility with Local 21 on the issues of hiring, contracting and assignments. Fourth, to ensure timely completion of the Hetch-Hetchy rebuild and other capital projects, the City sought to improve its working relationship with Local 21 by creating specific terms and conditions of employment both parties understood and agreed to abide by during the course of the program.

To address these unique issues, the parties agreed to a reopener with Local 21 on the PUC's CIP and other significant capital projects. Section II.P. of the City's 2003-2005 MOU with Local 21 that provides as follows:

> The parties agree that timely and successful implementation of the PUC's Capital Improvement Program (CIP) is among their highest priorities, and that changes in the terms and conditions of employment set forth in this Agreement that are unique to CIP projects may facilitate the achievement of their mutual goal. The parties therefore agree that a separate [Agreement] will be negotiated governing wages and working conditions specific to long-term projects and their impact on other engineering related classes....

In a report commissioned by The Bay Area Water Supply and Conservation Agency (BAWSCA), dated January 2004, success of the PUC's CIP was directly linked to some of the preliminary work the City and its PUC has undertaken with Local 21. The report noted:

> [T]o its credit, SFPUC has taken many steps focused on successful CIP completion including [the negotiation of] a memorandum of understanding with Local 21 regarding approaches to project staffing.

II
The City's Challenges

A. Overall Goals

The City's overall goals in its capital improvement projects and the attached contract amendment include:

- **High Quality** of project outcomes
- **On Time** completion of projects
- **On Budget** conformance to funding and project costs

Each of the solutions provided by the amendment conforms to and advances these goals.

B. Staffing

The staffing needs addressed by this amendment include:

- The objective of performing as much project work as possible with in-house staff, and;
- The need to recruit and retain quality personnel, especially in the current highly competitive environment for professional engineers and related capital project occupations;
- The need to meet staffing needs quickly consistent with best hiring practices and merit system principles;
- Ensuring that the City remains competitive in the engineering and technical engineering project market;
- In a period of retrenchment, create opportunity for as many city personnel as possible.

C. Contracting Out

- Clarification of the types of work that can or should be contracted out as opposed to work that can be performed by City staff.

D. Labor Management Relations

- The enunciation of labor strategies which define and regulate the utilization of labor;
- Defined processes and guidelines for effective labor relations to resolve labor problems quickly and at low levels in order to avoid delays in the project schedule and added costs to the project budget;

E. Compensation

- Recognition of project management
- Recognition of various emerging skill sets not presently classified
- Maintenance of management flexibility and discretion in assignments
- The creation of incentives for achieving project savings

III
Solutions

A. Staffing

Under the current recruitment and examination program it has taken as long as two years to complete examinations and hiring for engineering and related classifications. It is essential that the staffing program, particularly given the reliance on in-house staff, be efficient, expedient and immediately responsive to departmental staffing needs. This agreement provides for a modern human resource staffing process, using continuous eligible lists, with a variety of certification rules, which can help achieve the needs of employing departments while preserving merit system rights of candidates.

B. Contracting Out

The amendment creates guidelines and a process that will ensure the optimum and most efficient combined use of both external and internal resources. Work will be performed with as much in-house staff to maximize merit system hiring opportunities, to utilize existing institutional memory and expertise and to ensure City staff develops a future capacity to maintain the water system by creating a next generation of City employees with institutional capacity and memory.

Work will be contracted out when necessary to address peak workloads, specialized expertise beyond the capacity of in-house staff and for emergencies. Significantly, the City and Local 21 have reached a framework that utilizes clear definitions and guidelines to analyze contracting decisions that should minimize delay and disruption over this difficult labor issue.

C. Compensation

1. Leadership and Special Skills Pay

Leadership pay is an essential component of a matrix/project structure, which is typical in large engineering projects. The CIP operates on a massive scale, which requires, in addition to the overall Project Managers, sub-leaders in each phase. In addition to overall project management, capital projects require accountability over

various parts of projects. Project engineers, a key leadership assignment, manage delivery of project outcomes. Leadership pay recognizes the added value of the project leadership, and reinforces direct accountability for the delivery of project outcomes.

Leadership pay supports management's need to support the team structure in a project environment. Leadership pay creates parity between engineering staff and project management. Finally, the leadership pay solution provides management with the right of assignment, and limits special pay to the duration of the assignment, and only for time actually worked.

Some of the CIP work involves emerging duties not now assigned or performed by City staff on a regular basis. Such pay incentivizes individuals to acquire new skills that are vital to project success, including cost estimating and scheduling skills specifically referenced in the State Auditor's report.

Specialty pay provides an efficient and less expensive alternative to creating new classes to recognize skills and duties. When new duties and skills emerge, typically the city has classified the duties through the lengthy and complex civil service based process, followed by bargaining over pay levels, and the administration of selection procedures. These labor intensive and complex activities make it difficult for management to act quickly and to retain considerable discretion in the assignment of work.

The administration of all forms of special pay, including leadership and special skills, are determined based on the definitions contained in the MOU. The contract-defined approach is used for all forms of premium pay which are defined either in labor contracts and/or in related salary ordinances. Initial determination of eligibility for premium pay is made by the assigning department based on the contract definition. To the extent that there are questions or disputes, the pay practice may be audited by the Department of Human Resources or the Controllers PPSD, and may be subject to grievance. Typically, PPSD creates pay codes and pay rules to track premium pay categories of which allows ongoing financial evaluation of use and cost.

2. Classification Adjustments

In order to simplify the City's classification and pay structure some classification consolidation in the design and related classes is taking place concurrently with this Amendment. A central objective of the consolidation is the alignment of classes to common levels, including salary rates. This consolidation and alignment will provide that work which requires the same level of training, experience and licensure is compensated at the same level. A related pay plan objective is the maintenance of salary intervals between related classes at a level that encourages career advancement and skill development. The City and most other public sector employers maintain pay intervals in promotive classes that recognize increasing responsibility and complexity in progressively higher job classes in a series. The compaction adjustments in this amendment further that objective.

3. Incentive Pay

Currently, virtually all City compensation is based on an entitlement strategy. That is, as long as employees are performing at a satisfactory level they receive the negotiated rate. Consequently, there is no specific incentive for employees to create more cost efficient and timesaving work measures. Throughout private industry it has long been recognized that performance based pay is an essential principle in performance motivation and work outcomes. The incentive program described in this amendment is an effort to institute industry practices that both generate real savings and share those savings with employees. The program involves no risk to the City -- as only savings certified by a neutral and credible party, the Controller, are shared. If there are no savings, there is no payment.

At this time the benchmarks and performance criteria that will be used for the Pilot Capital Project Incentive Program are being developed. They will be designed to measure timeliness, budgetary discipline and quality at appropriate segments of ongoing capital projects in each department. These efforts involve the Controller's office and the operating departments.

D. Labor Management Relations

This agreement establishes ground rules for the parties to utilize in order to solve a variety of potential disputes at a low level when they arise. The joint labor management committee (JUCC) provides for the solution of problems within defined guidelines in a manner that is immediate and can prevents project delays, inefficiencies, and additional cost.

c.c. Philip Ginsburg, Deputy City Attorney
Andrea Gourdine, DHR
Carol Isen, PUC/CIP

Scope of Agreement

Covered Classes: Agreement governs the following Local 21 represented design, construction management and project management classifications.

5120 Architectural Administrator
5174 Administrative Engineer
5201 Junior Engineer
5203 Assistant Engineer
5205 Associate Materials Engineer
5207 Associate Engineer
5211 Senior Engineer
5212 Principal Engineer
5218 Structural Engineer
5219 Senior Structural Engineer
5241 Engineer
5260 Architectural Assistant I
5261 Architectural Assistant II
5262 Landscape Architect Associate I
5265 Architectural Associate I
5266 Architectural Associate II
5268 Architect
5270 Senior Architect
5272 Landscape Architect Associate II
5273 Principal Architect
5274 Landscape Architect
5275 Senior Landscape Architect
5304 Materials Testing Aide
5305 Materials Testing Technician
5310 Survey Assistant I
5312 Survey Assistant II
5314 Survey Associate
5316 Chief Surveyor
5342 Mechanical Engineering Assistant I
5344 Mechanical Engineering Assistant II
5346 Mechanical Engineering Associate I
5350 Electrical Engineering Assistant I
5352 Electrical Engineering Assistant II
5354 Electrical Engineering Associate I
5362 Civil Engineering Assistant
5364 Civil Engineering Associate I
5366 Engineering Associate II
5502 Project Manager I
5504 Project Manager II
5506 Project Manager III
5508 Project Manager IV
5620 Regulatory Specialist
6318 Construction Inspector
6335 Disability Access Coordinator
9195 Light Rail Vehicle Equipment Engineer
9196 Senior Light Rail Vehicle Engineer
9197 Signal & Systems Engineer

Item 4 – File 04-0002

Department: Superior Court

Item: Ordinance appropriating $1,782,000 from the Courthouse Construction Fund to fund court facility interior renovations.

Amount: $1,782,000

Source of Funds: Courthouse Construction Fund (see Comment No. 1)

Description: The Hall of Justice, which is located at 850 Bryant Street between 6th and 7th Streets, currently houses the Superior Court's Traffic Division and 22 courtrooms. The Superior Court's Traffic Division administers the adjudication of traffic citations including the processing of traffic citations and fine payments, referrals to public traffic school, and initiating or removing drivers license suspensions, according to Mr. Neal Taniguchi of the Superior Court. Mr. Taniguchi states that the Traffic Division uses two of the 22 courtrooms in the Hall of Justice as traffic hearing rooms (Traffic Hearing Room A and Traffic Hearing Room B), to hear traffic citation protests. The remaining 20 courtrooms in the Hall of Justice are trial courtrooms. Mr. Taniguchi reports that the Traffic Division is located in approximately 8,200 square feet of space on the 1st floor of the Hall of Justice, and that the two traffic hearing rooms are located in approximately 2,900 square feet of space on the 2nd floor of the Hall of Justice (an average of 1,450 square feet per hearing room).

Further, Mr. Taniguchi reports that the Superior Court is leasing approximately 6,050 square feet of space which is used for three auxiliary courtrooms at 575 Polk Street, in a building the Superior Court has been leasing since July of 1991 (see Comment No. 3). According to Mr. Taniguchi, the Superior Court plans to relocate the Superior Court's Traffic Division, which, as noted above, has 8,200 square feet of space, and its two traffic court hearing rooms, which as noted above, has 2,900 square feet, or a total of 11,100 square feet, from the Hall of Justice to the approximately

6,050 square feet of leased space at 575 Polk Street (see Comment No. 4).

According to Mr. Taniguchi, the Superior Court is authorized to use the Courthouse Construction Fund to pay for (a) the annual debt service on the Civic Center Courthouse, which became operational in December of 1997 and is located at the corner of McAllister and Polk Streets, (b) the annual cost of the leased facility at 575 Polk Street, (c) property insurance costs, (d) capital improvements to courthouse facilities, and (e) bond trustee finance costs.

According to Mr. Taniguchi, the Superior Court intends to expend the requested $1,782,000 in Courthouse Construction fund monies to pay for the following three renovation projects:

1) $612,000 to renovate leased space at 575 Polk Street – 6,050 square feet of leased space, which is currently being used as three auxiliary trial courtrooms, would be converted from (a) two auxiliary trial court rooms, totaling approximately 4,033 square feet, to two traffic court hearing rooms (an average of 2,017 square feet per hearing room) and from (b) one auxiliary trial court room, totaling approximately 2,017 square feet, to office and public counter space, to accommodate the relocation of the Superior Court's Traffic Division. Attachment I is a memorandum from Mr. Taniguchi explaining how the Traffic Division, which now occupies 8,200 square feet in the Hall of Justice can be accommodated by 2,017 square feet at the leased Polk Street site. According to Mr. Taniguchi, the Superior Court anticipates that construction work for this project would begin in the Fall of 2004 and be completed by the Fall of 2005.

2) $670,000 to renovate City-owned space at the Hall of Justice - 2,900 square feet of space on the 2nd floor of the Hall of Justice would be converted from two traffic hearing rooms, containing an average square feet of 1,450 each (Traffic Hearing Room A and Traffic Hearing Room B), to one new 2,900 square foot trial courtroom, which would be used to accommodate

criminal trials. As previously noted, the Superior Court currently has 22 courtrooms at the Hall of Justice consisting of 20 trial courtrooms and two traffic hearing rooms. The subject renovation would result in a total of 21 trial courtrooms at the Hall of Justice. According to Mr. Taniguchi, the Superior Court anticipates that the construction work for this project would begin in the Fall of 2005 and be completed by the Spring of 2006.

3) $500,000 for Hall of Justice Courtrooms – All 20 trial courtrooms at the Hall of Justice, totaling approximately 60,000 square feet, or an average of 3,000 square feet per trial courtroom, would be renovated. Such renovations would include the refurbishing of jury boxes, witness stands, benches, and audience seating. According to Mr. Taniguchi, the Superior Court anticipates that the construction work for these renovations would begin in the Fall of 2004 and be completed by the Spring of 2006.

Budget:

Attachment II provided by Mr. Taniguchi is a budget for the $1,782,000 requested supplemental appropriation including City project staff hours and hourly rates. According to Mr. Taniguchi, all of the renovation work, except for the design and engineering work and project management to be performed by the Department of Public Works, will be awarded on a competitive bid basis (see Comment No. 5).

Comments:

1. The Courthouse Construction Fund was established for the purpose of receiving revenues from surcharges on civil and probate filing fees, and parking citations as follows: (1) limited jurisdiction cases, which are lawsuits under $25,000 - $10.00; (2) unlimited jurisdiction cases, which are lawsuits over $25,000 - $50.00; and (3) parking citations - $1.00. According to Mr. Taniguchi, as of February 4, 2004, the unappropriated balance in the Courthouse Construction Fund was $5,425,954. Approval of this subject request of $1,782,000 would result in an unappropriated fund balance of $3,643,954.

2. Mr. Taniguchi states that the Superior Court currently has 59 trial courtrooms comprised of 20 trial courtrooms at the Hall of Justice, 36 trial courtrooms at the Civic Center

Courthouse, and 3 auxiliary trial courtrooms at 575 Polk Street. After completion of the subject interior facilities renovation projects, Mr. Taniguchi reports that the Superior Court will have 57 trial courtrooms comprised of 21 trial courtrooms at the Hall of Justice and 36 trial courtrooms at the Civic Center Courthouse.

3. According to Mr. Taniguchi, the Superior Court is currently leasing a total of approximately 8,870 square feet of space, at approximately $2.15 per square foot per month, at 575 Polk Street, for a total rental cost per month of $19,101 ($229,212 annually), of which approximately 6,050 square feet of space, as noted above, is used for three auxiliary trial courtrooms. The remaining 2,820 square feet is used as office space, jury deliberation room space, and juror and witness waiting room space. According to Mr. Taniguchi, one of the auxiliary trial courtrooms, totaling approximately 2,017 square feet, is currently being used as a temporary juvenile traffic hearing courtroom and two of the three auxiliary trial courtrooms, totaling approximately 4,033 square feet, is currently being used for overflow trial courtroom space, which is used when there are more trials than courtrooms available at the Civic Center Courthouse. According to Mr. Taniguchi, the Superior Court anticipates that the temporary juvenile traffic hearing room will be moved to Juvenile Hall prior to the commencement of the proposed subject renovation work at 575 Polk Street, and the two overflow trial courtrooms will be eliminated as a result of the proposed renovation project.

4. According to Mr. Taniguchi, the Superior Court plans to relocate the Traffic Division, including its administrative space and its two traffic hearing rooms, from the Hall of Justice to the leased facility at 575 Polk in order for the Hall of Justice facility to accommodate more criminal trials, by constructing one additional trial courtroom at the Hall of Justice. As stated on page 2 of Attachment III provided by Mr. Taniguchi, "The Court's recently adopted facilities master plan identified an existing and long-term shortage of criminal trial courtrooms in the Hall of Justice. Because of this shortage, criminal cases are often transferred from the Hall of Justice to the Civic Center Courthouse for trial, which causes delay, inefficiency, and

increased costs for both the City and the Superior Court. The Superior Court is therefore adding one new large trial courtroom to the Hall of Justice through the Hall of Justice renovation project to address the shortage problem."

5. Mr. Taniguchi advises that, because 575 Polk Street is not a City-owned building, the normal City process for competitively selecting a contractor for the 575 Polk Street project does not apply, and the landlord is responsible for selecting the contractor. However, Mr. Taniguchi advises that the landlord is likely to use a competitive bidding process in selecting the contractor for renovations made at 575 Polk Street.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Superior Court of California
County of San Francisco

GORDON PARK-LI
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI
CHIEF FISCAL OFFICER

February 24, 2004

TO: Harvey Rose, Budget Analyst

FROM: Neal Taniguchi, Superior Court

RE: Courthouse Construction Fund Appropriation request
Relocation of Traffic Division to 575 Polk Street

You requested the Court to explain why it plans to move its Traffic Division from Room 101, at the Hall of Justice, which consists of approximately 8,200 square feet, to a smaller space at 575 Polk Street.

The Superior Court's Traffic Division, which processes and adjudicates traffic citations, and other non-serious infractions, consists of 38.5 FTE positions, and currently shares Room 101, at the Hall of Justice with the Criminal Division, Clerk's Office (about 42 FTE). Because the Traffic Division currently shares Room 101 with the Criminal Division, the square footage, on a per FTE basis, is roughly the same as what the Traffic Division will occupy, once 575 Polk Street is renovated.

The Court is simply attempting to more efficiently use its existing office space to accommodate the need for additional criminal courtrooms.

If you should have any further questions, please do not hesitate to contact me.

cc.: Gordon Park-Li

400 McAllister Street - Room 205
San Francisco, CA 94102-4514
ntaniguchi@sftc.org

	Courtrooms A & B Conversion	575 Polk St Remodel	Hall of Justice Courtroom renovations		Comments
Project Control costs (DPW staff)					
Design and Engineering	$ 90,000	$ 98,000	$ 65,500		BOA staff work
Project Management	$ 30,000	$ 28,000	$ 3,500		BOA/ Bureau of Construction Management
Total DPW Staff Costs	$ 120,000	$ 126,000	$ 69,000	*	Total all DPW costs; includes planning and permits
Construction Costs					
Demolition and Construction	$ 410,000	$ 340,000	$ 349,000	**	Construction Contracts to be competitively bid**
Furnitures/Fixtures/Equipment	$ 80,000	$ 86,000	$ -	**	Furniture contracts to be competitively bid**
Contingency	$ 60,000	$ 60,000	$ 82,000		Contingency is roughly 10-12% of project costs
Subtotal	$ 550,000	$ 486,000	$ 431,000		
Subtotal	$ 670,000	$ 612,000	$ 500,000	**	
TOTAL			$ 1,782,000		

* Rounded to the nearest one thousandth.

** The total budget estimate for the Hall of Justice courtroom renovations is $870,750, of which $500,000 would be funded by this supplemental. The Court will either reduce the project costs by $370,750 ($870,750 less $500,000) by prioritizing courtroom work (thereby reducing construction and furniture costs), or the Court will absorb the additional $370,750 cost in its State funded operating budget, if State budget conditions permit.

Staffing:	Courtrooms A & B Hours	Hourly Rate	TOTAL	575 Polk St Hours	Hourly Rate	TOTAL	Hall of Justice Hours	Hourly Rate	TOTAL
Bureau Manager	18	$ 162	$ 2,916	22	$ 162	$ 3,564	22	$ 162	$ 3,564
Senior Architect	48	$ 142	$ 6,816	49	$ 142	$ 6,958	43	$ 142	$ 6,106
Architect/Engineer	333	$ 123	$ 40,959	374	$ 123	$ 46,002	183	$ 123	$ 22,509
Associate	373	$ 91	$ 33,943	373	$ 91	$ 33,943	220	$ 91	$ 20,020
A/E Assistant	361	$ 72	$ 25,992	361	$ 72	$ 25,992	142	$ 72	$ 10,224
Chief Clerk	40	$ 80	$ 3,200	40	$ 80	$ 3,200	36	$ 80	$ 2,880
Contingency			$ 6,289			$ 6,603			$ 3,663
TOTAL	1173		$ 120,115	1,219		$ 126,262	646		$ 68,966

Superior Court of California
County of San Francisco

GORDON PARK-LI
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI
CHIEF FISCAL OFFICER

January 21, 2004

TO: Leanne Nhan, Analyst
Budget Analyst's Office, Board of Supervisors

FROM: Neal Taniguchi

RE. Item 04-0002, Supplemental Appropriation in the amount of $1,782,000, from the Courthouse Construction Fund

cc.: Presiding Judge Donna Hitchens
Gordon Park-Li, Chief Executive Officer

In response to your information request regarding the proposed supplemental appropriation request from the Courthouse Construction Fund, you will find attached to this memo, all supporting documentation on the proposed projects.

Background

The Courthouse Construction Fund is a special fund created pursuant to State law. The Fund may only be used for the acquisition, rehabilitation,, construction, and financing of courtrooms and court facilities (GC Section 76100). Revenues appropriated to the Fund are derived from surcharges on civil filing fees and a surcharge on parking citations. In the past, the Fund was used to finance the construction of the Civic Center Courthouse, which opened to the public in December 1997.

The current operating surplus, as of February 4, 2003, was $5,425,954. This proposed ordinance would appropriate $1,782,000 from that surplus.

400 McAllister Street - Room 205
San Francisco, CA 94102-4514
ntaniguchi@sftc.org

Budget

The proposed uses of the fund are as follows:

		Estimated Project Cost
1.	**Interior Renovations – Hall of Justice, Traffic Hearing Rooms A&B.** Both hearing rooms would be combined into one trial courtroom to accommodate additional criminal trials. This project would be implemented in conjunction with the relocation of the Court's Traffic Division to its leased 575 Polk Street facilities (see below). The Court's recently adopted facilities master plan identified an existing and long-term shortage of criminal trial courtrooms in the Hall of Justice. Because of this shortage, criminal cases are often transferred from the Hall of Justice to the Civic Center Courthouse for trial, which causes delay, inefficiency, and increased costs for both the City and County and the Superior Court. The Superior Court is therefore adding one new large trial courtroom to the Hall of Justice through the Hall of Justice renovation project to address the shortage problem.	$670,000
2.	**Interior Renovations – Hall of Justice, various courtrooms.** Jury boxes, witness stands, benches, and audience seating have not been refurbished in years, or in some cases, since the opening of the building . This proposed project would make improvements to the most dilapidated courtrooms.	500,000
3.	**Interior Remodel – 575 Polk Street, leased facility.** The Polk Street facility would be remodeled to accommodate the Traffic Division, which would be relocated from the Hall of Justice to provide space for additional trial court proceedings.	612,000
	TOTAL proposed expenditures	$1,782,000

Item 5 - File 03-1640

Department: Airport Commission

Item: Resolution approving Amendment No. 1 to the (a) existing Concession Agreements and separate Lease Agreements for Rental Car Operations between the City and County of San Francisco, acting by and through its Airport Commission and Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc.; and (b) existing Lease Agreement for Rental Car Operations between the City and County of San Francisco acting by and through its Airport Commission and National Car Rental Systems, Inc[1].

Location: The Rental Car Center north of the North Terminal at the San Francisco International Airport.

Lessor: City and County of San Francisco by and through the Airport Commission.

Concession Agreements: The Board of Supervisors previously approved (File No. 98-411) Concession Agreements between the Airport and seven rental car companies including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, and Thrifty, for the five-year period from December 30, 1998 through December 29, 2003 and extended by the Airport, as provided for under the original Concession Agreements, for one five-year period from December 30, 2003 to December 29, 2008. The Concession Agreement between the Airport and National, as previously approved by the Board of Supervisors (File No. 98-411) for the same five-year period from December 30, 1998 through December 29, 2003 was terminated in November of 2002 (see Comment No. 1).

Lease Agreements: In addition to the Concession Agreements, the Board of Supervisors previously approved (File No. 98-411) Lease Agreements between the Airport and eight rental car

[1] ANC is the parent company of both Alamo Rent-a-Car and National Car Rental Systems, Inc.

companies including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, and Thrifty, for the five-year period from December 30, 1998 through December 29, 2003 and extended by the Airport, as provided for under the original Lease Agreements, for one five-year period from December 30, 2003 to December 29, 2008.

According to Mr. David Dunn of the Airport, the Concession Agreements pertain to the Concession Fees which are paid by the rental car companies to the Airport, based on the higher of the Minimum Annual Guarantee or the percentage of gross revenues (see below), while the Lease Agreements pertain to rents paid by the rental car companies to the Airport for the space occupied by each rental car company at the Airport's Rental Car Center.

Number of Square Feet:

As shown in Attachment I, provided by the Airport, the Lease Agreements provide for a total of 2,036,122 square feet. The Rental Car Center includes a five-story rental car garage, which accommodates 3,600 vehicles, a Quick Turnaround Area (QTA) where returned rental vehicles are cleaned and refueled (with a capacity for an additional 1,400 vehicles), and a surface storage area.

Term of Concession Agreements and Lease Agreements:

The Airport has exercised, effective December 30, 2003, its five-year option to extend the term under the provisions of the existing five-year Concession Agreements and separate Lease Agreements, effective from December 30, 2003 through December 29, 2008, after the initial five-year term of the Concession Agreements and Lease Agreements expired on December 29, 2003.

Right of Renewal:

None.

Purpose of Amendment No. 1:

The proposed Amendment No. 1 to the existing Concession Agreements and to the separate Lease Agreements, for the five-year period retroactive to December 30, 2003 through December 29, 2008, would (a) incorporate the requirements of the City's Minimum

Compensation Ordinance and Health Care Accountability Ordinance (MCO/HCAO), (b) reduce by ten percent the Minimum Annual Guarantee (MAG) under the Concession Agreements payable by the rental car companies to the Airport, (c) waive an increase in rent, under the Lease Agreements, payable by the rental car companies to the Airport (see Annual Rent Payable to the Airport below) and (d) adjust the threshold for abatement of the requirement to pay to the Airport the MAG during months of reduced deplaning passengers at the Airport, as further explained below.

Annual Concession Fees Payable to the Airport by the Rental Car Companies Under the Existing Concession Agreements and Under the Proposed Amendment No. 1 to the Concession Agreements:

As shown in Attachment I, provided by the Airport, under the existing Concession Agreements each of the rental car companies pays to the Airport an annual Concession Fee equal to the higher of either (a) ten percent of its annual gross revenues, or (b) a Minimum Annual Guarantee (MAG).

As shown in Attachment I, the proposed Amendment No. 1 to the Concession Agreements would reduce the MAG for each of the rental car companies by ten percent, or a total reduction of $2,254,700 from $22,546,998 to $20,292,298.

Amendment No. 1 would also change the "MAG abatement" provision of the Concession Agreements, which provides MAG relief to the rental car companies. Under the existing Concession Agreements, during any month in which the number of deplaning passengers at the Airport is less than 75 percent of deplaning passengers for the same calendar month in 1996, the MAG is abated, and for that month, the rental car companies would pay a Concession Fee equal to 10 percent of revenues regardless of whether that amount is

more than or less than the MAG. Amendment No. 1 would change this provision so that during any month in which the number of deplaning passengers at the Airport is less than 70 percent, instead of 75 percent, of deplaning passengers for the same calendar month in 1996, the MAG would be abated and for that month the rental car companies would pay a Concession Fee equal to ten percent of revenues. Attachment III, provided by the Airport, states that "[i]f this percentage [70 percent] were in place today, the savings to the City in MAG abatements for calendar year 2003 alone would have been $1,121,231," meaning the Airport would have realized increased Concession revenues of $1,121,231, than if the threshold were 75 percent.

Annual Rent Payable to the Airport By the Rental Car Companies Under the Exiting Lease Agreements and Under the Proposed Amendment No. 1 to the Lease Agreements: Attachment I, provided by the Airport, contains the annual rent payable by the rental car companies to the Airport for each rental car company under the existing Lease Agreements. According to Mr. Dunn, the "Structure Fee" in Attachment I is the rent paid by the rental car companies to the Airport for space within the building structure of the Rental Car Center, while the "Surface Fee" is the rent paid by the rental car companies to the Airport for space in the outside storage area of the Rental Car Center.

Under the original Lease Agreements the rents payable to the Airport were to be increased at the start of the five-year extension term based on the current market value of unimproved land in the vicinity of the Airport. Based on this provision of the original Lease Agreements, the annual rents would have increased by 4.2 percent effective December 30, 2003. However, under the proposed Amendment No. 1 to the Lease Agreements, the 4.2 percent rent increase during the five-year extension term would be waived.

According to Mr. Dunn, the reason for granting the rental car companies both a ten percent reduction in the Minimum Annual Guarantee (under the Concession Agreements) and a waiver of the 4.2 percent rent increase (under the Lease Agreements) is that this "would help to offset the costs incurred by complying with [the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance]."

As shown in the table below, if the scheduled 4.2 percent rent increase is waived, the rental car companies would not have to pay the Airport an additional $489,355 in rent ($12,043,390 less $11,554,035).

	Existing Rent (Annual)	Rent After Increase (Annual)	Rent Under Amendment No. 1 (Annual)
Alamo (ANC)	$1,867,136	$1,946,244	$1,867,136
National (ANC)	1,335,595	1,392,173	1,335,595
Avis	2,308,141	2,405,911	2,308,141
Budget	897,833	935,852	897,833
Dollar	858,703	895,077	858,703
Enterprise	291,564	303,921	291,564
Hertz	3,672,007	3,827,486	3,672,007
Thrifty	323,056	336,727	323,056
Total	$11,554,035	$12,043,390	$11,554,035

Attachment II, provided by the Airport, shows the gross revenues realized by each of the eight rental car companies as well as the details of the rents paid by the rental car companies to the Airport for the past five years. As shown in Attachment II, during the initial five-year term from December 30, 1998 through August of 2003, the rental car companies have paid to the Airport $136,712,785 in Concession Fees and $57,770,160 in rent, or a total of $194,482,945.

Utilities and Janitorial Services:

As explained by the Airport in Attachment IV, the rental car companies pay for the utilities and janitorial services at the Rental Car Center, except for janitorial services in the public lobby and public restrooms, which are provided by the Airport.

Minimum Compensation Ordinance (MCO)/ Health Care Accountability Ordinance (HCAO) Requirement:

The existing Concession Agreements and Lease Agreements with the seven rental car companies, and the Lease Agreement with National Rent-A-Car, do not require the rental car companies to comply with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance (MCO/HCAO), since these Concession Agreements and Lease Agreements were entered into prior to the adoption by the Board of Supervisors of those two ordinances. The proposed Amendment No. 1 to the Concession Agreements and Lease Agreements would require the rental car companies to comply with the MCO/HCAO ordinances during the five-year extension period of these Agreements, from December 30, 2003 through December 29, 2008.

Ms. Cathy Widener of the Airport provided the memorandum shown as Attachment V to this report, which contains information provided by the Office of Contract Administration as to the requirements of the MCO/HCAO ordinances.

As stated in Attachment IV, provided by the Airport, "[t]he Industry [i.e. the Rental Car Companies] unanimously agreed to comply with both ordinance[s] if the Airport 1) would keep the land portion of the rental rates at the current rates, and 2) reduce the current Minimum Annual Guarantees (MAGs) for each company by 10%. "

Comments:

1. As previously noted, the proposed Amendment No. 1 to the Concession Agreements would reduce the Minimum Annual Guarantee payable to the Airport by each of the rental car companies by ten percent or a total of $2,254,700 in reduced revenues to the Airport. Also as previously noted, the rent increase that would be waived by the Airport under the proposed Amendment No. 1 to the Lease Agreements totals $489,355. Considering both of these two revenue reductions, the Airport reports in Attachment IV that "[o]ver the five-year period, this would reduce the MAGs by $11,273,500 and it would reduce the land rent by $2,445,000," resulting in reduced payments being made by the rental car companies to the Airport. The Budget Analyst notes that the actual rent increase that would be waived under the proposed Amendment No. 1 to the Lease Agreements over the five years is $2,446,775 ($489,355 times five) and not $2,445,000. Therefore, if this proposed resolution is approved, the total reduced payments to be made by the rental car companies to the Airport, over the five-year extension period retroactive to December 30, 2003 through December 29, 2008, is $13,720,275 ($11,273,500 plus $2,446,775). That amount of $13,720,275 would result in the Airport making reduced Annual Service Payments (15 percent of Concession revenues) to the City's General Fund by a total of $2,058,041, over the five-year period from December 30, 2003 through December 29, 2008, or an estimated General Fund revenue decrease of $411,608 annually over the five years. However, the $13,720,275 in reduced payments by the rental car companies to the Airport is based solely on the reduced MAG and waived rent increase. The adjustment to the "MAG abatement" threshold could partially offset that revenue reduction if it is applicable in a given year, which in calendar year 2003 would have produced $1,121,231 in additional revenue for the Airport, including $168,185 for the City's General Fund.

2. As stated in Attachment VI, provided by the Airport, "[a]t the time the agreements were awarded, the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance ('MCO/HCAO') did not exist. The City Attorney's Office has advised staff that, as a legal matter, the MCO/HCAO do not apply to the Airport's mere exercise of the option to extend the term,

unless the agreements are actually being amended or modified." Under the proposed Amendment No. 1, the Concession Agreements and Lease Agreements would incorporate the MCO/HCAO requirements, with which the rental car companies would be required to comply during the five-year option period (from December 30, 2003 through December 29, 2008). As noted in Attachment IV, the Airport reports that "[t]he cost incurred by the rental car companies for this compliance over the same five-year period is [between] approximately $14.5 million and $16.5 million."

However, Mr. Dunn reports that the Airport has not prepared any written analysis as to the reasonableness or accuracy pertaining to the estimated reported costs of between approximately $14.5 million and $16.5 million, which, according to the rental car companies, would be incurred by the rental car companies in order to comply with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance.

Recommendation:

Because the proposed Amendment No. 1 to the Concession Agreements and Lease Agreements would, retroactive to December 30, 2003 through December 29, 2008, reduce, by $13,720,275, the Concession Fees and rents payable by the rental car companies to the Airport, and because the Airport has not prepared any written analysis as to the reasonableness or accuracy pertaining to the reported costs which the rental car companies would incur by complying with the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance, approval of the proposed resolution is a policy matter for the Board of Supervisors.

San Francisco International Airport

November 25, 2003

Attachment I
Page 1 of 3

P.O. Box 8097
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www.flysfo.com

Mr. Harvey Rose
Office of the Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: Amendment #1 – Rental Car Lease Agreements and Concession Agreements Background

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR. MAYOR
LARRY MAZZOLA PRESIDENT
MICHAEL S. STRUNSKY VICE PRESIDENT
LINDA S. CRAYTON
CARYL ITO
ELEANOR JOHNS
JOHN L. MARTIN AIRPORT DIRECTOR

The Airport Commission on March 3, 1997 awarded the agreements for rental car operations at the Airport. The term of each agreement was for five years, commencing with the opening of the Rental Car Center, with one five-year option exercisable under the same terms and conditions at the sole discretion of the Airport Commission. The Rental Car Center opened for business on December 30, 1998. Therefore, the first five-year term is due to expire on December 29, 2003, at 11:59 PM. The second five-year term will commence December 30, 2003 and expire December 29, 2008, at 11:59 PM.

The on-Airport Rental Car Companies operate at the Airport under two agreements: 1) the Lease Agreement and 2) the Concession Agreement. The Lease Agreement pertains to the space occupied by each company at the Rental Car Center. The Concession Agreement pertains to the Concession Fee paid to the Airport. This fee is based on a Company's gross revenues. Each company pays either a Minimum Annual Guarantee (MAG) or ten-percent (10%) of gross revenues, whichever is greater. The original MAG was determined for each company by its original bid. The highest bidder had the opportunity to select its counter and ready stall locations. The space allocated to each company is based on Market Share.

Attachment #1 reflects the current space occupied by each company and the annual rent paid for the space. It also shows the current rental rate versus a new rental rate reflecting the increase in the unimproved land portion of the facility. This increase will not occur, but will instead serve to help offset the costs incurred by the rental car companies to pay for additional benefits required by MCO/HCAO. (See attached.)

The current Minimum Annual Guarantee (MAG) for each company is listed in the table below:

	Current MAG	10% Reduction
ANC (Original Alamo MAG)	$3,751,000	$375,100
Avis	5,818,000	581,800
Budget	2,076,240	207,624
Dollar	1,650,000	165,000
Enterprise	501,641	50,164
Hertz	8,122,900	812,290
Thrifty	627,217	62,722
TOTAL	**$22,546,998**	**$2,254,700**

The current facility is approximately 2,117,380 square feet. The rental car facility has the capacity for 3,600 parked vehicles. The Quick Turn Around area (QTA) has the capacity for an additional 1,400 vehicles.

As a result of the 10% MAG reduction, the Airport could collect $11,273,500 less for the five-year option period. However, once passenger traffic returns to the 1999-2000 levels, the rental car companies will be paying 10% of gross revenues, which could be greater than the MAG. The MAG is recalculated annually. MAGs can go up or down, based on a company's gross revenues, but they can never drop below the original bid. The current MAGs represent the original bids for all the companies, except Enterprise and Thrifty.

Sincerely,

David l. Dunn
Sr. Principal Property Manager
Revenue Development

Attachment

cc: David Pfeiffer
Peter Nardoza

Rental Car Facility Rent Comparison

STRUCTURE FEE

Company	Square Feet	Original $8.00 per square foot	New $8.34 per square foot	Difference
ANC (Alamo)	210,173	$1,681,384.00	$1,752,842.82	$71,458.82
(National)	149,512	$1,196,096.00	$1,246,930.08	$50,834.08
Avis	257,672	$2,061,376.00	$2,148,984.48	$87,608.48
Budget	99,155	$793,240.00	$826,952.70	$33,712.70
Dollar	95,971	$767,768.00	$800,398.14	$32,630.14
Enterprise	33,221	$265,768.00	$277,063.14	$11,295.14
Hertz	404,079	$3,232,632.00	$3,370,018.86	$137,386.86
Thrifty	34,761	$278,088.00	$289,906.74	$11,818.74
TOTAL	**1,284,544**	**$10,276,352.00**	**$10,713,096.96**	$436,744.96

SURFACE FEE

Company	Square Feet	Original $1.70 per square foot	New $1.77 per square foot	Difference
ANC (Alamo)	109,266	$185,752.20	$193,400.82	$7,648.62
(National)	82,058	$139,498.60	$145,242.66	$5,744.06
Avis	145,156	$246,765.20	$256,926.12	$10,160.92
Budget	61,525	$104,592.50	$108,899.25	$4,306.75
Dollar	53,491	$90,934.70	$94,679.07	$3,744.37
Enterprise	15,174	$25,795.80	$26,857.98	$1,062.18
Hertz	258,456	$439,375.20	$457,467.12	$18,091.92
Thrifty	26,452	$44,968.40	$46,820.04	$1,851.64
TOTAL	**751,578**	**$1,277,682.60**	**$1,330,293.06**	$52,610.46

STRUCTURE AND SURFACE FEES COMBINED

	Total Square Feet	Total Original Fee Schedule	Total New Fee Schedule	Difference
ANC (Alamo)	319,439	$1,867,136.20	$1,946,243.64	**$79,107.44**
(National)	231,570	$1,335,594.60	$1,392,172.74	**$56,578.14**
Avis	402,828	$2,308,141.20	$2,405,910.60	**$97,769.40**
Budget	160,680	$897,832.50	$935,851.95	**$38,019.45**
Dollar	149,462	$858,702.70	$895,077.21	**$36,374.51**
Enterprise	48,395	$291,563.80	$303,921.12	**$12,357.32**
Hertz	662,535	$3,672,007.20	$3,827,485.98	**$155,478.78**
Thrifty	61,213	$323,056.40	$336,726.78	**$13,670.38**
TOTAL	**2,036,122**	**$11,554,034.60**	**$12,043,390.02**	$489,355.42

San Francisco International Airport

Attachment II
Page 1 of 2

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November 5, 2003

Mr. Harvey Rose
Office of the Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: Amendment #1 – Five-Year Gross Revenues and Rents

AIRPORT COMMISSION
CITY AND COUNTY
OF SAN FRANCISCO

WILLIE L. BROWN, JR.
MAYOR

LARRY MAZZOLA
PRESIDENT

MICHAEL S. STRUNSKY
VICE PRESIDENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT DIRECTOR

Dear Mr. Rose:

Attached for your review is a list of the rental car companies located at the facility at the Airport, listing the monthly gross revenues and rent per company for the past five years. Please note that the information for 2003 is only available through August 2003.

You will also notice that the revenues for National ceased in November 2002. ANC, the parent company for both the Alamo and National brands, filed Chapter 11 under bankruptcy protection in November 2001. Under this ruling the Court has the authority to allow the company in bankruptcy to assume or reject any or all or its agreements without the consent of the Airport. ANC chose to assume the Alamo Concession Agreement, which happened to be the greater of the two MAG amounts, and reject the National Concession Agreement. The ruling went into effect in November 2002. The gross revenues for both brands are reported by ANC under the original Alamo Concession Agreement. The result of ANC assuming both leases resulted in no facility rent loss by the Airport.

Sincerely,

David I. Dunn
Sr. Principal Property Manager
Revenue Development

Attachment

cc: David Pfeiffer
Peter Nardoza

COMPANY	1999	2000	2001	2002	2003	TOTAL
ALAMO						
GROSS REV	$ 40,301,986	$ 41,132,097	$ 28,210,751	$ 21,784,761	$ 23,784,817	$ 155,214,412
CONCESSION FEE	$ 4,411,879	$ 4,570,341	$ 3,942,370	$ 3,669,097	$ 2,795,696	$ 19,389,383
FACILITY RENT	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 9,335,680.00
AVIS						
GROSS REV	$ 63,125,917	$ 67,862,021	$ 45,208,609	$ 43,018,038	$ 25,678,924	$ 244,893,509
CONCESSION FEE	$ 6,613,240	$ 6,995,156	$ 5,878,779	$ 5,877,571	$ 3,891,444	$ 29,256,190
FACILITY RENT	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 11,540,705
BUDGET						
GROSS REV	$ 27,495,174	$ 32,897,443	$ 23,775,307	$ 19,228,024	$ 12,684,573	$ 116,080,521
CONCESSION FEE	$ 2,767,200	$ 3,296,660	$ 2,892,014	$ 2,447,420	$ 1,505,123	$ 12,908,417
FACILITY RENT	$ 897,832	$ 897,832	$ 897,832	$ 897,832	$ 897,832	$ 4,489,160
DOLLAR						
GROSS REV	$ 22,753,881	$ 22,856,891	$ 15,501,543	$ 15,176,148	$ 9,434,853	$ 85,723,316
CONCESSION FEE	$ 2,419,527	$ 2,425,137	$ 2,013,850	$ 1,876,610	$ 1,196,063	$ 9,931,187
FACILITY RENT	$ 858,702	$ 858,702	$ 858,702	$ 858,702	$ 858,702	$ 4,293,510
ENTERPRISE						
GROSS REV	$ 5,406,453	$ 6,103,654	$ 6,090,298	$ 5,901,667	$ 3,739,206	$ 27,241,278
CONCESSION FEE	$ 553,252	$ 610,366	$ 627,417	$ 602,817	$ 402,247	$ 2,796,099
FACILITY RENT	$ 291,564	$ 291,564	$ 291,564	$ 291,564	$ 291,564	$ 1,457,820
HERTZ						
GROSS REV	$ 100,786,221	$ 112,611,142	$ 83,225,155	$ 76,661,900	$ 46,197,995	$ 419,482,413
CONCESSION FEE	$ 10,104,996	$ 11,261,113	$ 9,769,012	$ 8,732,226	$ 5,579,543	$ 45,446,890
FACILITY RENT	$ 3,672,007	$ 3,672,007	$ 3,672,007	$ 3,672,007	$ 3,672,007	
NATIONAL						
GROSS REV	$ 34,627,987	$ 32,906,892	$ 24,049,066	$ 15,462,887	$ -	$ 107,046,832
CONCESSION FEE	$ 3,483,672	$ 3,407,051	$ 2,876,738	$ 2,365,085	$ -	$ 12,132,546
FACILITY RENT	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 6,677,970
THRIFTY						
GROSS REV	$ 7,261,244	$ 8,010,235	$ 6,355,427	$ 7,379,031	$ 5,077,764	$ 34,083,701
CONCESSION FEE	$ 731,820	$ 809,765	$ 680,186	$ 759,076	$ 535,632	$ 3,516,479
FACILITY RENT	$ 323,056	$ 323,056	$ 323,056	$ 323,056	$ 323,056	$ 1,615,280
TOTAL						
GROSS REV	$ 301,758,863	$ 324,380,375	$ 232,416,156	$ 204,612,456	$ 174,167,766	$ 1,237,335,616
CONCESSION FEE	$ 31,085,586	$ 34,711,183	$ 28,680,366	$ 26,329,902	$ 15,905,748	$ 136,712,785
FACILITY RENT	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 57,770,160

The revenues and rent for 2003 is only through August 2003
National's MAG was rejected in November 2002. National revenues are included in Alamo

San Francisco International Airport

Attachment III

November 13, 2003

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Mr. Harvey Rose
Office of the Budget Analyst
City & County of San Francisco
1390 Market Street, Room 1025
San Francisco, CA 94102

SUBJECT: Amendment #1 – Rental Car Leases/Agreements- MAG Abatement

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR.
MAYOR

LARRY MAZZOLA
PRESIDENT

MICHAEL S. STRUNSKY
VICE PRESIDENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT DIRECTOR

As part of Amendment #1 of the Leases and Agreements, the rental car companies have agreed to a modification to the MAG adjustment mechanism. The Concession Agreements currently provide that the MAGs are abated whenever the number of deplaning passengers during the month is less than 75% of deplaning passengers for the same calendar month in the base year, which is 1996. Since the September 11th disaster, the MAGs have been abated ten times given the reduction in passengers. Staff has negotiated that this provision be amended to provide that the MAGs be abated when the number of deplaning passengers during the month is less than 70% of the number of deplaning passengers for the same calendar month in 1996. Only five out of the ten times the MAGs have been abated did the number of deplaning passengers drop below 70% of the same calendar month in 1996. If this percentage were in place today, the savings to the City in MAG abatements for calendar year 2003 alone would have been $1,121,231.

Approval of Amendment #1 to the rental car leases and agreements is critical to avoid such MAG abatements in the future.

Sincerely,

David I. Dunn
Senior Principal Property Manager

cc: Leo Fermin
David Pfeiffer
Peter Nardoza

San Francisco International Airport

November 18, 2003

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Mr. Harvey Rose
Office of the Budget Analyst
City & County of San Francisco
1390 Market Street, Room 1025
San Francisco, CA 94102

SUBJECT: Amendment #1 – Rental Car Leases/Agreements-Additional Information

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR.
MAYOR

LARRY MAZZOLA
PRESIDENT

MICHAEL S. STRUNSKY
VICE PRESIDENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT DIRECTOR

As I previously stated in a letter dated October 31, 2003, Airport staff met with rental car industry representatives from the seven companies on several occasions prior to exercising the final Five-Year Option in order to get their agreement to comply with the Minimum Compensation Ordinance (MCO) and the Health Care Accountability Ordinance (HCAO). The Industry unanimously agreed to comply with both ordinance if the Airport 1) would keep the land portion of the rental rates at the current rates, and 2) reduce the current Minimum Annual Guarantees (MAGs) for each company by 10%. Under the current agreement, the City could adjust the land value portion of the rental rates to reflect the then-current market value of unimproved land in the vicinity of the Airport. Staff calculated the collective increase to be approximately $489,000. The combination of these two items would assist the rental car companies in offsetting costs incurred by the compliance of the Ordinances.

The annual cost estimate to comply with MCO/HCAO received from each company is listed in the table below:

ANC[1]	Between $263,000 and $424,000
Avis[2]	Between $440,000 and $500,000
Budget	See Avis
Dollar[3]	$213,000
Enterprise	Between $78,000 and $85,000
Hertz	$2.1 million
Thrifty	See Dollar
TOTAL	Between $2.9 million and $3.3 million

[1] Original Alamo MAG
[2] Combined with Budget because both companies are owned by Cendant
[3] Combined with Thrifty under the DTAG Group

The costs listed above are only estimates. The actual costs will not be determined until after the first year of compliance.

In a previous letter dated November 12, 2003, I summarized the 10% reduction in current MAGs to be $2,254,700. This, accompanied with no increase to land rent equals approximately $2,743,700 annually, which would help to offset the costs incurred by complying with MCO/HCAO. Over the five-year option period, this would reduce the MAGs by $11,273,500 and it would reduce the land rent by $2,445,000. However, all companies would comply fully with MCO/HCAO. The cost incurred by the rental car companies for this compliance over the same five- year period is approximately $14.5 million and $16.5 million.

The rental car companies pay for all the utilities they use at the Facility. They are also responsible for all janitorial costs related to their tenant leasehold space. As is standard practice in all Airport Terminal areas, the Airport custodians clean the public lobby area and the public restrooms.

Sincerely,

David J. Dunn
Sr. Principal Property Manager
Revenue Development

cc: Leo Fermin
David Pfeiffer
Peter Nardoza

San Francisco International Airport

To: Budget Analysts Office
Fr: Cathy Widener, SFO Governmental Affairs
RE: Concession and Lease Agreements for Rental Car Operations
MCO/HCAO Requirements

Per you request for information regarding the MCO and HCO requirements triggered by the Rental Car Center Lease modification, please find information below taken directly from the Office of Contract Administration website (http://www.ci.sf.ca.us/oca/lwlh.htm).

The Office of Contract Administration monitors these programs for the City. *Please be advised that this information should not be attributed to me, but to the Office of Contract Administration.*

Minimum Compensation Ordinance (MCO) shall consist of the following:

Hourly gross compensation in the amount of nine dollars ($9.00) per hour.

In no less than twelve (12) nor more than eighteen (18) months from the Effective Date, the City shall increase the hourly gross compensation to ten dollars ($10.00) per hour; provided, however, that in the case of Nonprofit Corporations and public entities, this adjustment shall only be made if the Joint Report issued by the Controller, Mayor's Budget Office, and Budget Analyst, pursuant to San Francisco Administrative Code Section 3.6 finds that the City has sufficient funds to pay the anticipated costs of the adjustment. A finding of "sufficient funds" shall mean that the City will not be required to reduce services in order to pay the anticipated costs of the adjustment.

For each of the next three (3) years after the adjustment provided in Subsection (a)(ii) is made, at annual intervals, the City shall make an additional adjustment of 2.5%.

The requirements of this Chapter shall apply to a written agreement (including, without limitation, any lease, concession, franchise or easement agreement) for the exclusive use of real property that is owned by the City or of which the City has exclusive use, if such property is under the jurisdiction of the San Francisco Airport Commission and the term of the agreement exceeds twenty-nine (29) days in any calendar year, whether by single or cumulative instruments. If cumulative instruments cause the term of the agreement to exceed twenty-nine (29) days, the agreement in question shall be subject to this Article only on and after the effective date of the instrument which causes the term to exceed twenty-nine (29) days. The requirements of this Chapter shall also apply to (i) any sublease or other agreement allowing other parties the exclusive right to occupy or use all or any portion of the property covered by the agreement and (ii) any agreement between a tenant or

subtenant and any other person or entity to perform services on the airport property. Contractors who have agreements covered by this Section shall comply with the requirements of this Chapter insofar as they have "Covered Employees." For purposes of this Section, "Covered Employee" shall mean an employee who provides at least ten (10) hours of work on the property that is the subject of the agreement in a two-week Pay Period, adjusted proportionately if the Pay Period is other than two weeks. Notwithstanding the provisions of this Section, all exemptions and waivers from the requirements of this Chapter that apply to Contracts shall also apply to agreements for the use of airport property described in this Section, except for the exemption in Subsection (xvii) relating to property contracts). Except as otherwise specifically provided, all requirements of this Chapter, and the monitoring and enforcement mechanisms provided in this Chapter, shall apply to agreements covered by this Section.

Health Care Accountability Ordinance (HCAO):

With respect to each Covered Employee who either resides in San Francisco (regardless of where the Covered Employee provides services) or provides services covered by this Chapter in San Francisco, each Contracting Party shall do one of the following, at the Contracting Party's option:

(1) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the Health Director and approved by the Health Commission. The minimum standards shall provide for a maximum period for each Covered Employee's health benefits to become effective, not to exceed 30 days from the start of employment on a covered Contract, Subcontract, Lease or Sublease. The Health Commission shall review such standards every two years to ensure that the standards stay current with State and Federal regulations and existing health benefits practices; or

(2) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in Section 12Q.2.9(a) (definition of "Covered Employee"), pay to the City $1.50 per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed $60 in any Week. The City shall appropriate money received pursuant to this Subsection (a)(2) for the use of the Department of Public Health. The Department of Public Health shall use the monies appropriated for staffing and other resources to provide medical care for the uninsured. The Health Commission may increase this hourly rate and Weekly maximum in accordance with the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or such other factors as the Health Commission finds appropriate; provided, however, the Health Commission shall take this action no more than once a year and any adjustments in such hourly rate or Weekly

maximum must be approved by the Board of Supervisors by resolution; or

(3) Participate in a health benefits program developed by the Health Director in consultation with the Agency. The Health Director shall obtain Health Commission approval of the program before implementing it. The Health Director shall seek such approval within twelve (12) months after this Chapter is finally approved. Prior to implementation of the health benefits program provided in this Subsection (a)(3), each Contracting Party shall comply with Subsection (a)(1) or (a)(2). After the Health Director implements the program, in addition to the options provided in Subsections (a)(1) and (a)(2), Contracting Parties may satisfy their obligations under this Chapter by complying with the requirements of the health benefits program. In developing the program, the Health Director shall (i) attempt to make health coverage available for uninsured Covered Employees and, if feasible, other uninsured City residents; (ii) use public health facilities to the maximum extent practicable; (iii) make the program economically viable; and (iv) provide a mechanism for funding which relies, as much as possible, on contributions by participating employers and employees.

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MEMORANDUM

August 14, 2003

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Michael S. Strunsky, Vice President
Hon. Linda S. Crayton
Hon. Caryl Ito
Hon. Eleanor Johns

FROM: Airport Director

SUBJECT: Rental Car Operations at San Francisco International Airport
Amendment to Concession Agreements and Lease Agreements

DIRECTOR'S RECOMMENDATION: APPROVE AMENDMENT NO. 1 TO CONCESSION AGREEMENTS AND LEASE AGREEMENTS FOR RENTAL CAR OPERATIONS AT SAN FRANCISCO INTERNATIONAL AIRPORT

Executive Summary

On May 12, 2003, the Commission exercised the five-year option on the rental car leases, which currently do not contain City requirements regarding the Minimum Compensation Ordinance and Health Care Accountability Ordinance ("MCO/HCO"). The attached resolutions incorporate MCO/HCO requirements, waive the land rent adjustment, reduce the Minimum Annual Guarantee ("MAG") by 10%, and adjust the MAG abatement trigger.

Background

By Resolution Nos. 97-0052 through Resolution Nos. 97-0059, the Commission awarded eight (8) Concession Agreements and Lease Agreements for Rental Car Operations at the San Francisco International Airport to Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National and Thrifty.[1]

Under the Concession Agreements, each of the rental car companies pays to the Airport an annual Concession Fee equal to the higher of ten percent (10%) of its annual gross revenues and a Minimum Annual Guarantee. Under the Lease Agreements, the rental car companies pay rent based on the value of the land and cost recovery of the facility. The base term was

[1] As part of the Alamo/National bankruptcy, the National Concession Agreement has since been terminated.

five years, commencing December 30, 1998, and the Commission has one five-year option to extend the term, exercisable at the sole discretion of the Commission. The Lease Agreements provide that the land value portion of the rent is adjusted to market value if the Airport exercises the term extension option.

By Airport Commission Resolution No. 03-0075, the Commission exercised the Airport's option to extend the term of the agreements for an additional five-year period. The option period is scheduled to commence December 30, 2003.

At the time the agreements were awarded, the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance ("MCO/HCAO") did not exist. The City Attorney's Office has advised staff that, as a legal matter, the MCO/HCAO do not apply to the Airport's mere exercise of the option to extend the term, unless the agreements are actually being amended or modified. The City desires to have the rental car companies comply with MCO/HCAO, so staff met with the rental car companies to discuss their compliance with these ordinances.

Proposal

Given the City's desire to require MCO/HCAO compliance, the rental car companies and staff have negotiated an amendment to the agreements summarized as follows:

1) MAG Reduction. To offset the financial costs of compliance with these Ordinances, the rental car companies requested a ten-percent (10%) reduction of their current MAGs. The current Minimum Annual Guarantee (**MAG**) for each company is listed in the table below:

ANC*	$	3,751,000
Avis	$	5,818,000
Budget	$	2,076,240
Dollar	$	1,650,000
Enterprise	$	501,641
Hertz	$	8,122,900
Thrifty	$	627,217
TOTAL	**$**	**22,546,998**

*Original Alamo MAG

2) No Adjustment to Lease Rent. The rental car companies also requested that the rental rates at the Facility remain at the current rental rates. With the MAG reduction and no increase to the rental rates, the rental car companies could offset their costs of compliance with the Ordinances.

3) Adjustment to Minimum Annual Guarantee Abatement Mechanism. The Concession Agreements currently provide that the MAGs are abated whenever the number of deplaning passengers during the month is less than 75% of the number of deplaning

passengers for the same calendar month in 1996. Since the September 11th disaster, the MAGs have been abated nine times given the reduction in passengers. Staff has negotiated that this provision be amended to provide that the MAG be abated when the number of deplaning passengers during the month is less than **70%** of the number of deplaning passengers for the same calendar month in 1996.

4) MCO/HCAO. The rental car companies will comply with the MCO/HCAO.

Recommendation

I, therefore, recommend the approval of the Amendment No. 1 to Concession Agreements and Lease Agreements.

John L. Martin
Airport Director

Prepared by: Leo Fermin

Item 6- File 03-1826

Department:	Airport
Item:	Resolution approving Amendment No. 3 of an existing lease between the City and Travelex America, Inc. for Foreign Currency Exchange in the International Terminal and Domestic Terminal Buildings at the Airport.
Purpose of Lease Amendment:	To amend the rent structure based on the terms set forth in this proposed Third Amendment. The existing lease provides for a total of approximately 1,229 square feet of space to Travelex America, Inc. (Travelex) to operate foreign currency exchanges at the Airport.
Lessor:	City and County of San Francisco acting by and through the Airport Commission
Lessee:	Travelex America, Inc.
Existing and Proposed Terms of Lease:	The existing lease is for a term of five years, commencing December 10, 2000 and ending December 9, 2005. The term of the lease would not change under the proposed Amendment No. 3.
Rent Paid by Travelex Under the Existing Lease:	The existing lease requires Travelex to pay the Airport the greater of a Minimum Annual Guarantee (MAG) of $4,127,500 annually or a passenger-based fee of $0.88 multiplied by the number of international passenger enplanements (the total number of passengers boarding airline carriers for international flights). The original lease was awarded to Travelex on December 21, 1999, based on a competitive bid. Under Amendment Nos. 1 and 2, the Airport Concession Support Program was previously approved by the Board of Supervisors in August of 2002, wherein the original MAG of $4,127,500 was suspended (retroactive to September 11, 2001 through December 31, 2002) and instead, Travelex was authorized to pay the Airport $0.88 per enplaned international passenger, as specified

in the lease. Under the previously approved Amendment Nos. 1 and 2, the MAG of $4,127,500 was to be reinstated January 1, 2003.

Total rent paid by Travelex to the Airport between the years 2000 and 2003, as reported by the Airport, was $10,323,487, as follows:

Table 1

Year	MAG	Total Annual Passenger Enplanements	Total Rent Paid to Airport
2000	$4,127,500	4,079,282	$244,099[1]
2001	[2]	3,788,066	3,176,962
2002	[2]	3,648,945	2,774,926
2003	4,127,500	3,306,045	4,127,500
Total	**$8,255,000**	**14,822,338**	**$10,323,487**

Rents to be Paid by Travelex Under the Proposed Amendment No. 3:

Under the proposed Amendment No. 3, the proposed MAG would be reduced by 15 percent or by $619,125 from $4,127,500 to $3,508,375 and the annual rent to be paid by Travelex to the Airport would be the greater of the reduced MAG of $3,508,375 or $0.88 multiplied by the number of international passenger enplanements, retroactive to January 1, 2003 through December 31, 2003. The original MAG of $4,127,500 would be reinstated effective January 1, 2004. The Airport reports that, based on the number passenger enplanements of 3,306,045 for 2003, the rent would be $2,909,320, which is less than the MAG of $3,508,375. Therefore, the MAG of $3,508,375 would be paid by Travelex to the Airport for calendar year 2003 if the proposed Amendment No. 3 is approved.

Utilities and Janitorial Service:

Provided by Lessee.

[1] According to Mr. David Pfeiffer of the Airport, the full MAG of $4,127,500 was not paid in 2000 because the lease began December 10, 2000, and Travelex held the lease for less than one month in 2000.

[2] The MAG was suspended retroactive to September 11, 2001 under the Airport Concession Support Program (CSP), previously approved by the Board of Supervisors in August of 2002 (File No. 02-1230).

Comments:

1. According to Mr. David Pfeiffer of the Airport, Travelex has already paid the Airport the full MAG of $4,127,500 in rent for calendar year 2003. However, Mr. Pfeiffer reports that based on the combined effects of the event of September 11, 2001, the SARS epidemic, the war in Iraq and the resulting decrease in international enplaning passengers in 2003, as compared to 2002, Travelex has requested a 15 percent reduction of the MAG in 2003, which, if approved, would result in a reimbursement of $619,125 by the Airport to Travelex. In the Attachment, a memo provided by the Airport, Mr. Pfeiffer provides additional information pertaining to the request by Travelex to pay reduced rent to the Airport.

2. Mr. Pfeiffer reports in the attached memorandum that "As calendar year 2003 drew to a close, Travelex realized that it stood to lose $1.8M on the SFO operation. Citing the combined effects of 9/11, SARS, the war in Iraq, and the resulting decrease in international enplaning passengers, in September 2003, Travelex requested a retroactive 15% MAG reduction from the Airport. On October 8, 2003, the Airport Commission approved the reduction contingent upon the Board of Supervisors' approval, and on October 24, 2003, the Airport Commission Secretary forwarded the Amendment to the Board of Supervisors for approval."

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

San Francisco International Airport

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February 10, 2004

Mr. Harvey Rose
Office of the Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: Amendment No. 3 to the Travelex Foreign Currency Exchange in the New International Terminal Building an Existing Terminal Buildings Lease No. 99-0449 at San Francisco International Airport

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

GAVIN NEWSOM
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MICHAEL S. STRUNSKY
VICE PRESIOENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT OIRECTOR

Dear Mr. Rose:

This responds to your request for additional information regarding Amendment No. 3 to the Travelex Foreign Currency Exchange Lease No. 99-0449 at the San Francisco International Airport.

As calendar year 2003 drew to a close, Travelex realized that it stood to lose $1.8M on the SFO operation. Citing the combined effects of 9/11, SARS, the war in Iraq, and the resulting decrease in international enplaning passengers, in September 2003, Travelex requested a retroactive 15% MAG reduction from the Airport. On October 8, 2003, the Airport Commission approved the reduction contingent upon the Board of Supervisors' approval, and on October 24, 2003, the Airport Commission Secretary forwarded the Amendment to the Board of Supervisors for approval.

As indicated in the spreadsheet previously transmitted to you office, Travelex met its rent obligation to the Airport for calendar year 2003 and paid the requisite MAG in the amount of $4,127,500.

Travelex has not made any specific statements with regard to what would occur if the 15% reduction of the MAG for calendar year 2003 were not approved. However, Travelex has indicated that its two largest operating costs are rent and payroll which infers that if no rent reduction is approved then payroll costs would necessarily be cut. Because Travelex has multiple facilities manned approximately 16 hours per day, a reduction in staff could result in a degradation of customer service.

The Airport expects that Travelex will request a change in how their foreign currency exchange rates are set pursuant to the Lease. If the Airport Commission approves this change to the Lease, Board of Supervisor approval would be sought. These changes to the spreads will not reduce the $4,127,500 MAG Travelex will pay as rent to the Airport in calendar year 2004.

If you have questions, or require additional information, please contact me at 650-821-4500.

Very truly yours,

David W. Pfeiffer
Associate Deputy Director
Revenue Development

cc: Patty Maitland
Jema Turk

Item 7 – File 03-1964

Department: Superior Court
Public Defender

Item: Hearing to consider the release of $3,597,426 previously reserved by the Board of Supervisors in the FY 2003-2004 budget.

Amount: $3,597,426

Source of Funds: General Fund monies previously appropriated and reserved by the Board of Supervisors in the FY 2003-2004 budget, as recommended by the Budget Committee.

Description: Currently, the Public Defender requires that indigent defendants represented by the Public Defender's Office report their financial condition through a Declaration of Financial Conditions form. The Public Defender refers indigent defense cases to the Superior Court's Indigent Defense Program when (a) the Public Defender determines that a conflict of interest would result if the Public Defender were to serve as the defense attorney or (b) if the Public Defender is unable to handle the case with existing staff. The Superior Court then appoints a conflicts attorney from a panel of private attorneys recruited by the Bar Association, to represent and defend the indigent defendant in Superior Court through the Indigent Defense Program.

In the FY 2003-2004 budget, the Board of Supervisors placed a reserve of $3,597,426 on the $7,238,801 amount appropriated to the Superior Court for the Indigent Defense Program, pending the development of means testing and/or the implementation of a registration fee, wherein fees would be charged to the defendant to recover the costs of criminal defense. As stated in a memorandum (Attachment I) from Mr. Neal Taniguchi of the Superior Court, "Means testing involves evaluating whether or not a defendant is truly 'indigent' and cannot afford an attorney to represent them. The evaluation may include a review of their financial and credit records, bank accounts, and employment status. Such an evaluation

would determine whether the defendant actually qualifies for free legal representation by the Public Defender or conflicts attorney under the Indigent Defense Program."

The Superior Court is now requesting the release of the $3,597,426, which was placed on reserve by the Board of Supervisors in the FY 2003-2004 budget. Attachment II provided by Mr. Taniguchi contains a budget for the subject $3,597,426 in reserved funds.

Comments:

1. Attachment I explains why the Superior Court did not develop or implement a means testing program for the Indigent Defense Program. Attachment I states that, "In a previous study, conducted by the Controller's Office...means testing was found to be not cost beneficial." According to Ms. Peg Stevenson of the Controller's Office, the Controller's Office concludes that the implementation of means testing and/or the assessment of registration fees would not be cost beneficial to the City.

2. The Superior Court's Indigent Defense Program budgeted expenditures for FY 2003-2004 is $7,238,801[1]. According to Mr. Taniguchi, of the $7,238,801 budgeted for the Indigent Defense Program for FY 2003-2004, $3,823,448 has been incurred as of December 24, 2003 as detailed in Attachment II. According to Mr. Taniguchi, of the $3,823,448 incurred as of December 24, 2003, approximately $3,641,365 was paid for with funds previously appropriated by the Board of Supervisors from the Indigent Defense Program account and $182,083 was transferred from other accounts within the Superior Court's budget, to be reimbursed by the subject requested release of funds.

3. As of the writing of this report, the Superior Court was unable to provide to the Budget Analyst with either (a) the total projected FY 2003-2004 costs of the Indigent Defense Program, or (b) the total projected FY 2003-2004 caseload of the Indigent Defense Program.

[1] This amount includes a $43,949 Grand Jury budget which consists of Grand Jury expenses and compensation for Grand Jury members according to Mr. Taniguchi.

However, Mr. Taniguchi reports that the average monthly caseload and the average monthly expenditure through December 31, 2003 for the Indigent Defense Program is 685 cases and $651,144, respectively. Therefore, based on this historical rate of expenditures, the Budget Analyst estimates that the annual caseload for FY 2003-2004 would be approximately 8,220 (685 cases x 12 months) and the annual expenditure for FY 2003-2004 would be $7,813,728 ($651,144 x 12 months). The estimated annual expenditure of $7,813,728 for FY 2003-2004, is $574,927 more than the $7,238,801 which was budgeted for the Indigent Defense Program in FY 2003-2004, as shown in the table below.

	FY 2003-2004 Budget	Amount Expended from 7/1/03 through 12/31/03 (six months)	Total Estimated FY 2003-2004 Expenditures	Surplus/ (Deficit) Compared to FY 2003-2004 Budget
Indigent Defense Program Expenditures	$ 7,238,801	$ 3,906,864	$ 7,813,728	$ (574,927)

According to Mr. Todd Rydstrom of the Controller's Office, the Controller's Six Month Budget Status Report will project a net deficit of approximately $520,000, comprised of a deficit of approximately $600,000 for Indigent Defense, offset by approximately $80,000 in excess salary savings. Mr. Taniguchi states that he agrees with the Budget Analyst's and Controller's projected deficits based on year-to-date actual expenditures.

Recommendation: Because both the Budget Analyst and the Controller project deficits in FY 2003-2004 expenditures for the Indigent Defense Program over and above the amount appropriated, including the reserved funds of $3,597,426, approve the requested release of reserved funds.

Superior Court of California
County of San Francisco

GORDON PARK-LI
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI
CHIEF FISCAL OFFICER

December 19, 2003

TO: Leanne Nhan, Budget Analyst's Office, Board of Supervisors

FROM: Neal Taniguchi, Superior Court of California, County of San Francisco

RE: Request to release reserve of $3,597,426 from indigent defense appropriation

The Budget Analyst has requested the following memorandum that explains why the Superior Court did not develop or implement a means testing program in the indigent defense program, which the Budget Committee specified as a condition for the release of the reserved funds.

Means testing involves evaluating whether or not a defendant is truly "indigent" and cannot afford an attorney to represent them. The evaluation may include a review of their financial and credit records, bank accounts, and employment status. Such an evaluation would determine whether the defendant actually qualifies for free legal representation by a Public Defender or conflicts attorney under the Indigent Defense Program."

The Superior Court did not develop a program for the following reasons:

1. In a previous study, conducted by the Controller's Office, with the cooperation of the Court, the Public Defender, the Mayor's Office, the Treasurer's Bureau of Delinquent Revenue, and the Bar Association of San Francisco (BASF), means testing was found to be not cost beneficial. With all of the issues surrounding the Public Defender's budget, the City's budget deficit, the findings of this study never surfaced during the budget hearings.
2. Only approximately 20-25% of indigent defense cases are represented by the City's conflicts panel, while the remaining 75% to 80% of criminal indigent defense cases are represented by the Public Defender's Office. The Superior Court could not implement a means testing program for indigent defense without the same program applying to defendants represented by the Public Defender.
3. By State law, the County is responsible for the administration of indigent defense programs, including means testing. The Superior Court is not authorized by State Rules of Court or State law to spend state funding on indigent defense administration. Since no local funding was appropriated to fund a means testing program, the Court did not implement the requested program.

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Nevertheless, the Court is working cooperatively with the City, the BASF, and the Public Defender's Office to improve the administration of indigent defense. The Court is working with the BASF and the Public Defender to revise the Declaration of Financial Condition form and to develop a uniform set of guidelines to determine the eligibility for appointment of indigent defense counsel.

Superior Court of California
County of San Francisco
Indigent Defense Data
FY 2003 - 2004 Expenditure Data

Expenditures as of December 23, 2003

	FY02/03 Budgeted Expenditures	FY02/03 Actual Cases	FY02/03 Actual Expenditures	Budgeted* Expenditures	YTD Cases	YTD Expenditures	Estimated Budget for Reserves	Explanation
I. Payments to Conflicts Counsel								
Juvenile								
Misdemeanor		18	$ 8,114		8	838		Attorney fees in juvenile cases
Regular Delinquency		426	$ 296,406		216	122,916		
Serious Delinquency		150	$ 205,577		109	129,414		
Subtotal		594	$ 510,097	520,000	333	$253,168	260,000	
Conservatorships		249	$ 115,087	100,000	96	44,385	50,000	Attorney fees in probate conservatorships
Adult Criminal								
Regular Felony		1,809	$ 1,819,417		834	715,948		Attorney fees in criminal cases
Serious Felony		313	$ 1,253,468		173	709,083		Attorney fees in criminal cases
Life Felony		82	$ 764,159		46	261,155		Attorney fees in criminal cases
Misdemeanor		805	$ 330,429		488	150,299		Attorney fees in criminal cases
Preliminary Hearing		1,689	$ 1,282,015		1,011	610,022		Attorney fees in criminal cases
Probable Cause		71	$ 110,959		91	91,201		Attorney fees in mental health hearings
Subtotal		4,769	$ 5,560,447	4,500,000	2,643	$2,537,708	2,250,000	
Total, Conflicts Counsel		5,612	6,185,631	$5,120,000	3,072	$2,835,261	$2,560,000	
II. Payments to Investigators and Experts								
Investigators		1,102	$ 1,247,755	1,200,000	569	632,084		Investigator fees in criminal cases
Expert Witnesses		530	$ 613,569	500,000	170	217,491		Expert witness fees in criminal cases
Psychiatric Evaluations		234	$ 265,293	226,894	154	110,812		Either expert witness or court ordered Psychiatric evaluations
Subtotal		1,866	2,126,617	$1,926,894	893	$960,387	963,447	
BASF Administration - negotiated fee				87,958			43,979	negotiated fee for Bar Association
Fees and Comps database replacement				60,000			30,000	City's cost of replacing fees and comps
III. Grand Total, Indigent Defense	**$ 8,178,755**	7,478	**$8,312,248**	**$7,194,852**	**3,965**	**$3,795,648**	**$3,597,426**	database
Grand Jury Fees			**$29,630**	$32,000		18,335		Grand jury fee on per meeting basis
Grand Jury Expenses	$ 24,396		**$12,220**	$11,949		9,465		Training, printing, M&S expenses.
TOTAL Grand Jury Budget				**$43,949**				
IV. Indigent Defense/Grand Jury Budget	$ 8,203,151		8,354,098	**$7,238,801**		**$3,823,448**		
V. Balance						**$3,415,353**		

* Budget is based on the amount of funding that was appropriated. Budget does not reflect what the Court had originally projected and requested from the Board of Supervisors.

Item 8 - File 03 - 1977

Department: Recreation and Parks Department (RPD)

Item: Resolution approving and authorizing an amendment to the Master Tournament Agreement between the Professional Golfers' Association (PGA) Tour, Inc. and the RPD, for the use of Harding Park Golf Course for the PGA Tour Championship Tournament.

Purpose of the Proposed Amendment: In April of 2002, the Board of Supervisors approved a resolution approving and authorizing a Master Tournament Agreement (Agreement) between the Professional Golfers' Association (PGA) Tour, Inc. and the City, acting by and through the RPD Commission, for the use of Harding Park Golf Course for the PGA Tour Championship events. Under the terms of the existing Agreement, the PGA was to hold the PGA Tour Championship Tournament at Harding Park Golf Course three times over a nine-year period commencing on January 1, 2006.

Subsequently, the PGA decided to also negotiate additional PGA Tour Championship Tournaments at East Lake Golf Course in Atlanta, Georgia. According to Mr. Michael Cohen of the City Attorney's Office, because the PGA's potential arrangement with East Lake Golf Course could conflict with the PGA's obligations to the RPD under the existing Agreement, the PGA approached the City and requested that the Master Tournament Agreement be renegotiated. This proposed amendment to the Master Tournament Agreement provides for the use of Harding Park Golf Course, for any of three different PGA Tournaments, either the PGA Tour Championship Tournament, the American Express Championship Tournament or the NEC Invitational Tournament, for a total of five tournaments to be held over a 15-year period commencing in 2005. Attachment I to this report is a memorandum from Ms. Jaci Fong of RPD describing the background and key provisions of the proposed amendment to the Master Tournament Agreement.

Term of the Amended Agreement: The existing Agreement between the RPD and the PGA was executed on April 19, 2002. The initial term of the existing Agreement was to end on the occasion of the third PGA Tour Championship Tournament at Harding Park Golf Course, but no later than December 31, 2015.

The proposed amendment to the existing Agreement would be executed on approval by the Board of Supervisors and the initial term would end after five PGA Tournaments are held within a 15-year period, commencing in 2005 and ending no later than December 31, 2020.

Right of Renewal: Three, nine-year extensions were authorized under the existing Agreement. The proposed amendment does not change such Right of Renewal provisions.

Amount Payable by the PGA to the City: Attachment II to this report, provided by Ms. Fong, is a comparison of the current financial terms under the existing Agreement with the financial terms of the proposed amendment.

The existing and proposed amended payment provisions requiring payments by the PGA to the City are summarized below:

- **Existing Use Fee and Other Payments:** For each Tour Championship Tournament held at Harding Park Golf Course, the PGA is to pay an up-front Use Fee of $250,000. Additionally, the PGA is to pay the City up to $130,000 as a reimbursement for any costs incurred by the City in excess of the $250,000 Use Fee.
  Proposed Use Fee and Other Payments: Under the proposed amendment, for each PGA Tournament held at Harding Park Golf Course, the PGA is to pay the City an up-front Use Fee of $500,000. However, the PGA would not pay for any costs incurred by the City in excess of the $500,000 Use Fee.

- **PGA Payments Under Existing Agreement to First Tee Program[1]:** The existing Agreement required the PGA to pay a "Phase 1" payment to the First Tee Program of $250,000 per Tour Championship Tournament and up to an additional "Phase 2" payment to the First Tee Program of $250,000 from net income from the tournament event, if such net income were to be realized by the PGA.
  PGA Payments Under the Proposed Amendment to the First Tee Program: Under the proposed amendment, the PGA is to pay $500,000 to the First Tee Program for each of the five Proposed Tournaments to be held at Harding Park Golf Course regardless of the net income realized by the PGA for the tournament event.

- **PGA Payment for Improvements Under Existing Agreement:** The PGA was to pay the City $250,000 as a one-time contribution to the improvement of the Harding Park Golf Course.
  PGA Payments for Improvements to Harding Park Golf Course and future City Golf Course Improvements Under the Proposed Amendment: The PGA is to pay the City $100,000 to defray the design costs for the new Clubhouse to be built at the Harding Park Golf Course and is to contribute design services, which are valued by the RPD at an estimated $1,000,000, for the renovation of the City-owned Lincoln Park Golf Course and the City-owned Sharp Park Golf Course. The PGA is to also provide the City with periodic, approximately three times per year, agronomic reviews, and training for City Golf maintenance.

- **Participation in PGA Income Under the Existing Agreement:** The PGA is to pay the City 50 percent of the remaining net revenues realized by the PGA from each PGA Tour Championship event held at the

[1] The First Tee Program is a non-profit organization, which is funded by the PGA, Ladies Professional Golfers Association (LPGA), the United States Golfers Association (USGA), other major golf organizations, as well as local charitable contributions. The First Tee Program provides golf programs designed to bring youth of all ethnic and socioeconomic backgrounds to the game of golf. The First Tee Program would be located at Harding Park Golf Course following completion of the golf renovation project which is anticipated to be completed in May of 2005.

Harding Park Golf Course, net of PGA costs and the other payments to be made by the PGA to the City and to the First Tee Program as described above.

Participation in PGA Income Under the Proposed Amendment: Under the proposed amendment, the PGA would pay the City 6.66 Percent of any "Gross Operating Revenues" in excess of $10,000,000 for each PGA Tournament held at the Harding Park Golf Course (see Comment 1).

Under both the existing and the proposed amended Agreement, all payments to be made by the PGA to the City would be increased by the percentage increase in the Consumer Price Index.

Description:

As previously noted, under the terms of the existing Master Tournament Agreement, the PGA would hold a PGA Tour Championship event three times over a nine-year period commencing on January 1, 2006. Harding Park Golf Course would be partially or completely closed to the public for the two-week period beginning four days before the start of the week-long Tour Championship event and ending within three days after the Tour Championship event is completed. The Tour Championship event is typically held each year in late October or early November.

As previously noted, under the terms of the proposed amendment to the existing Master Tournament Agreement, the PGA would hold either the PGA Tour Championship, the American Express Championship or the NEC Invitational, a total of five times over a 15-year period commencing in 2005. The American Express Championship is generally held in September or October and the NEC Invitational is generally held in August.

According to Mr. Cohen, the two PGA events that would be added to the proposed amended Agreement, namely the American Express Championship and the NEC Invitational, are comparable to or better than the PGA Tour Championship in terms of: a) quality of PGA Tour field of players who are likely to compete in the PGA tournaments; b) attendance; and, c) television coverage and viewership (see Comment No. 2).

Comments:

1. As discussed in Attachment I and as illustrated in the comparison contained in Attachment III, as provided by the RPD, under the proposed amendment, the City would receive between $120,000 and $250,000 more per event using the RPD's tournament revenue assumptions than the City would receive under the existing Agreement. In addition, the PGA's $500,000 payment to the First Tee Program under the proposed amendment is now guaranteed, whereas under the existing Agreement, only $250,000 was guaranteed as a Phase 1 payment and a Phase 2 payment to the First Tee Program was dependent on the realization of net income by the PGA for the event. The Budget Analyst concurs with the RPD estimates contained in Attachment III. However, it should be noted that the financial impact of changing the City's percentage participation from 50 percent of the remaining net revenues realized by the PGA, after all payments to the City, including the payment to the First Tee Program, to 6.66 percent of Gross Operating Revenues in excess of $10,000,000 for each PGA tournament held at the Harding Park Golf Course is unknown at this time.

The Budget Analyst previously reported that it would be highly unlikely that the City would receive any payments based on 50 percent of the PGA's net revenues. Based on the change to a percentage payment of 6.66 percent of the PGA's Gross Operating Revenues from each tournament held at the Harding Park Golf Course, the Budget Analyst still believes that it would be highly unlikely that the City would receive any additional payments since the most optimistic gross revenue assumption estimated by the RPD is $5,000,000 per PGA tournament. According to Ms Fong, the change to percentage of Gross Operating Revenues is consistent with the approach used in other City leases, and eliminates the need for the City to determine the PGA's net income. Mr. Cohen adds, that should the PGA's Gross Operating Revenues from such tournaments exceed $10,000,000 in the future, the City would participate in such revenues regardless of whether or not the PGA realized any net income.

Moreover, the Budget Analyst estimates that, should a PGA tournament held at Harding Park Golf Course

actually achieve such Gross Revenues at some point in the future, the PGA would have to also realize a large net income margin, in excess of 23 percent, for this provision in the existing agreement to result in more revenue to the City than would be realized under the proposed amendment. The Budget Analyst believes that such a future net income margin is also highly unlikely.

2. Attachment IV to this report, provided by Mr. Cohen, contains a table, which was compiled from source data provided by the PGA, that compares the two tournaments that would be added as potential PGA events to the PGA Tour Championship Tournament specified in the existing Agreement. As shown in Attachment IV, the two tournaments that would be added under the proposed amendment, the American Express Championship and the NEC Invitational, each exceed the PGA Tour Championship Tournament as measured by the quality of the PGA players that participate (strength of field), attendance, and television viewership (shown as "cumulative reach" in Attachment IV).

3. In March of 2002, the RPD reported to the Finance Committee that the total estimated project costs for the Harding Park renovation project would be $16,027,610. However, the RPD now reports that the actual cost of the renovation project will be $23,750,000, thereby exceeding the original estimate by approximately $7,722,390 or 48.2 percent.

The table on the next page displays the original budget, the original sources of funding, the revised budget, the additional expenditures required for project completion, the additional sources of funding and the final budget. Attachment V to this report, a memorandum from Mr. Yomi Agunbiade of the Department of Public Works, provides the reasons for the increased expenditures of 48.2 percent which are now required to complete the Harding Park Renovation Project.

Expenditure by Facility	Original Budget	Revised Original Budget	Additional Expenditure Required	Final Budget
Golf Course Renovation[1]	$8,419,210	$9,301,610	$2,648,390	$11,950,000
Parking[2]	-	1,200,000	-	1,200,000
New Clubhouse[2]	5,512,000	4,312,000	3,438,000	7,750,000
New Maintenance Facility	1,214,000	1,214,000	1,436,000	2,650,000
New Driving Range[1]	882,400	-		-
Cart Barn	-	-	200,000	200,000
Total Project Expenditures	$16,027,610	$16,027,610	$7,722,390	$23,750,000
Project Funding Sources				
State Grant Monies	$13,127,627		$3,500,000*	$16,627,627
RPD Matching Funds	2,149,983			2,149,983
Private Matching Funds	750,000	up to:	4,500,000**	5,250,000
Total Funding	$16,027,610	up to:	$8,000,000	$24,027,610

Revised Original Budget Notes

1. New driving range was completed as part of the Golf Course renovation.
2. Parking lot project was completed separately from the clubhouse.

* State Grant Funds for the construction of the new Harding Park Clubhouse were approved by the Board of Supervisors on February 10, 2004 (File 04-0011).

** According to Mr. Agunbiade, the up to $4,500,000 in new Private Matching Funds will consist of $900,000 from the First Tee Program, $100,000 from the PGA, as called for in this proposed amendment to the Agreement, and up to $3,500,000 from other private funds that are now being finalized. Mr. Agunbiade states that none of these funds can be expended until a resolution authorizing the RPD to accept and expend such funds is approved by the Board of Supervisors, and that such a resolution will be submitted to the Board of Supervisors no later than June of 2004.

4. According to Ms. Elizabeth Goldstein, Executive Director of RPD, pending the approval of this proposed amendment to the Master Tournament Agreement and completion of the Harding Park Renovation Project, which is expected to occur in May of 2005, including the construction of a new Clubhouse, the first PGA Tournament event to be held at the Harding Park Golf Course will be the American Express Championship Tournament in October of 2005.

Recommendation: Approve the proposed resolution.

ty and County of San Francisco Recreation and Park Department

Date: January 28, 2004

To: Finance and Audit Committee
Board of Supervisors

Thru: Elizabeth Goldstein

From: Jaci Fong

Subject: Harding Park – First Amendment to Master Tournament Agreement

Issue:
Discussion and possible action to approve a resolution approving the First Amendment to Master Tournament Agreement with the PGA TOUR, Inc., for the use of Harding Park Golf Course.

Background/Description:

On April 19, 2002, the City entered into a Master Tournament Agreement (the "Agreement") with the PGA Tour, Inc. (the "PGA Tour"). The Agreement was passed unanimously by the Board of Supervisors by Resolution #219-02. Under the Agreement, the PGA TOUR would bring the PGA Tour Championship (the "Championship") to Harding Park approximately once every three years, which will result in the payment of a facility fee by the PGA Tour and an infusion of revenues to the City generally from expenditures by Championship attendees.

As previously stated, a major PGA TOUR event offers a critical means towards achieving the ultimate goal of providing the best possible recreational experiences for San Franciscans at affordable fees. These major PGA tournaments will bring worldwide media exposure to Harding Park, allowing the City to charge premium rates to tourists and non-residents who will be drawn to the course because of the cache associated with a TOUR event. The course therefore acquires identification that would allow the City to raise a disproportionate amount of revenue from a small number of non-residents paying a higher fee, thereby subsidizing resident fees at rates lower than they otherwise would be.

If approved, the proposed amendment would increase the PGA TOURS commitment to the City by extending the initial term of the agreement and increase the guaranteed fee to the City from $250,000 to $500,000. In addition, the PGA TOUR would provide general support to improve local golf by providing design services to renovate Lincoln Park and Sharp Park golf courses. The changes and additional enhancements to the Master Tournament Agreement are further detailed in **Exhibit A**.

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Financial Impact:
Each Tournament at Harding Park will result in a guaranteed payment of $500,000 to the City and $500,000 to the First Tee of San Francisco. Both the City and the First Tee of San Francisco will receive 6.66% of gross revenues in excess of $10,000,000 per event.

Although the PGA TOUR normally prefers not to disclose its financial information, the PGA TOUR presently receives an approximate 20% gross margin from the sale of hospitality and tickets for these events. Assuming that the PGA TOUR can maintain their 20% gross margin in this market place, at $10 million in gross revenue, the City together with the San Francisco Chapter of the First Tee each receives their guaranteed payment of $500,000 and the PGA TOUR (a non-profit organization) receives $1 million in profit. Regardless of whether or not the PGA TOUR maintains a 20% gross margin or makes a profit at all, beyond $10 million in gross revenue, the City and the local chapter of the First Tee each receive 6.66% of gross revenues. In theory, the PGA TOUR would keep an equal amount in profit. As shown on **Exhibit B**, under even optimistic revenue assumptions a gross share is as beneficial to City as a percentage lease share. The concept of revenue sharing based on gross receipts vs. net revenues is consistent with most City leases. Should the need arise, this eliminates the necessity for the City to incur the extra cost from auditing the PGA TOUR's expenses as well as gross receipts. In addition, if the economics change for the worse, the City benefits even if the PGA TOUR's margins erode.

In addition, the City will receive one-time benefits from the proposed amendment. The TOUR will 1) pay $100,000 for incremental costs for the clubhouse, 2) forgive the local chapter of the First Tee for its out of pocket costs associated with providing design and construction management services for the renovation of Harding Park golf course, in the amount of $120,000, 3) provide design services for both Lincoln Park and Sharp Park golf course, valued at over $1 million, 4) and the Tour will provide periodic agronomic reports and training for Harding Park.

The question has also been raised as to the overall economic value to the City as a whole. Studies done of PGA TOUR events held at other venues estimate that the total impact ranges from $10 to $65 million depending on the market size, event stature and circumstances surrounding any event in any single year. As shown on **Exhibit C**, each of the proposed alternative events meets or exceeds the TOUR Championship under each of these criteria.

In addition, as previously stated, a major PGA TOUR event offers a critical means towards achieving the ultimate goal of providing the best possible recreational experiences for San Franciscans at affordable fees.

Update:

In September 2003, Recreation and Parks completed the renovation of the Harding Park Golf Course. It reopened on schedule to national acclaim, and is now considered one of the top courses in the country, public or private. The Project did suffer costs overruns; 2.2 million dollars due to a major storm in December 2003, $1.2 million dollars for parking, $1.4 million to finish the maintenance facility, and $2 million dollars for the clubhouse itself. Fortunately, the City has identified external sources, including additional state grant funds, charitable contributions and additional funding from the PGA TOUR to cover all of those costs. "

Recommendation:
In addition to the financial benefits called out above, Staff believes the local economy will further benefit by the additional 2 events that will be played during the initial term of the agreement, and that in the unlikely event of the demise of the TOUR Championship, the City will benefit from having the flexibility of hosting the NEC Invitational or the American Express Championship. Staff recommends approval of the resolution approving the First Amendment to Master Tournament Agreement with the PGA TOUR, Inc., for the Use of Harding Park Golf Course.

Exhibit A

Term	Present	Proposed	Change
First Event	2006	As early as 2005	• **More immediate benefits of the Agreement.** The City will realize the financial benefits of a TOUR event one year earlier.
Frequency	3 times over 9 years	5 times over 15 years	• **Increased financial benefits for the City.** The TOUR is committing to 2 additional events, and the City will reap both direct and indirect financial benefits for a total of 15 years.
Extension Option	3 more nine year terms with three events played per term	3 more nine year terms with three events played per term	• **No Change**
Event	TOUR Championship	• TOUR Championship • NEC Invitational • American Express Championship	• **Less risk** This provides the City flexibility. The additional 2 events reduce the City's risk should the qualitative characteristics of the TOUR Championship decline, the City may request that one of the other events be brought to Harding Park. • **More international exposure** The City will benefit from international recognition of the course. The 2 additional events draw international players, broadening the audience for the City.

Attachment 11
Page 1 of 2

Exhibit A (continued)

Term	Present	Proposed	Change
Facility Fee Per Event	Guaranteed $250,000 Plus the following from Net Revenues in the following order of priority: 1) Up to $250,000 to the First Tee 2) Reimbursement up to $130,000 (City Fee) 3) Up to $250,000 to the First Tee (following this, the TOUR retains an amount equal to the "City Fee"). 4) Up to $250,000 to an improvement fund.	1) Guaranteed $500,000 to City 2) Guaranteed $500,000 to First Tee	• **Less Risk** The upfront commitment guarantees to the City and the First Tee a minimum payment of $500,000 each (for a total of $1 million) regardless of whether or not the TOUR nets a profit.
Facility Fee Escalator	CPI	CPI	• **No change**
Revenue Sharing Fee Per Event	50% of any remaining net revenues after all other fees have been paid.	6.66% each to the City and to the First Tee of any Gross Operating Revenues in excess of $10 million.	• **Less Risk** The original agreement included a revenue sharing provision if the event became a huge success. This provision allows the City to share in revenue in excess of $10 million regardless of whether or not the TOUR has any net revenues.
Additional Consideration		$100,000 to help offset the costs of designing the clubhouse	• **Added benefit of $100,000.**
		TOUR will provide design services for the renovation of Lincoln and Sharp Park golf courses, and periodic agronomic reports and training.	• **Added benefit to the City valued at approximately $1 million.**

Projected Financial Return from PGA TOUR Championship Master Agreement

Gross Revenue	$2,500,000		$4,325,000		$5 Million	
Tournament Nets (Assumes 20% GM):	$500,000		$865,000		$1,000,000	
	City		City		City	
	Current	Proposed	Current	Proposed	Current	Proposed
Base Fee (Guaranteed)	$250,000	$500,000	$250,000	$500,000	$250,000	$500,000
Guranteed To First Tee	$0	$500,000	$0	$500,000		$500,000
Phase 1 First Tee Fee	$250,000		$250,000		$250,000	
City Fee			$130,000		$130,000	
Phase 2 First Tee Fee			$105,000		$240,000	
Improvement Fee						
Participation Fee						
Total:	$500,000	$1,000,000	$735,000	$1,000,000	$870,000	$1,000,000
Return to the City:	$250,000	**$500,000**	$380,000	**$500,000**	$380,000	**$500,000**

Note: Under the proposed amendment, the PGA TOUR does not receive an equal amount of profit until the Tournament achieves gross revenues of $10 million, assuming the PGA TOUR can maintain a 20% gross margin.

Actual Results from Other Venues:

	Valderamma		Ireland	Proj. Budget Harding Park
	1999	2000	2002	2005
Gross Revenues	$1,790,000	$1,593,000	$2,412,000	$4,325,000
Net	($3,132,000)	($2,169,000)	($1,463,000)	($1,179,000)

Attachment III

Exhibit B

Exhibit 1
PGA TOUR EVENT COMPARISON

Event	Tour Championship	World Golf Championships	
		NEC Invitational	American Express
Event Frequency	Annual	Annual	Annual
Date (2002)	10/29–11/04/02	8/20–8/25/02	9/10–9/16/02
Venue			
2000	Eastlake G.C. (Atlanta, GA)	Firestone C.C. (Akron OH)	Valderrama G.C. (Valderrama Spain)
2001	Champions G.C. (Houston, TX)	Firestone C.C. (Akron, OH)	Bellerive C.C. (St. Louis, MO)[1]
2002	Eastland G.C. (Atlanta, GA)	Sahalee C.C. (Sammanish, WA)	Mount Juliet Estate (Kilkenny, Ireland)
2003	Champions G.C. (Houston, TX)	Firestone C.C. (Akron, OH)	Capital City Club (Atlanta, GA)
Field Size	30	78	65
World Ranked Players Participating (2002)			
Top 5	4	5	5
Top 15	10	15	15
Top 30	17	30	30
Top 50	25	50	49
Top 100	29	67	59
Purse	$5.0 million	$5.5 million	$5.5 million
First Prize	$900,000	$1.0 million	$1.0 million
Overall Strength of Field	496	794	755
Attendance (2001)	105,000	120,000	140,000
Television Viewership Networks	ESPN/ABC	USA/CBS	ESPN/ABC
Nielsen Household Rating[2]			
Saturday	2.1 (2.3)[3]	3.6	2.5
Sunday	3.1 (3.4)[3]	4.8	2.7
Cumulative Reach	13.4%	20.1%	14.7%

[1]Event cancelled (attendance for 2002 event). [2]Average rating for 1999-2002. [3]Average exlcuding 2001, impacted by 9/11.

Source: Economics Research Associates.

- Strength of Field (minimum 750): The sum of the "World Ranking" points of the individual players participating in the tournament. The points are established by the "Official World Golf Ranking," which is endorsed by the four major championships and the six professional tours which make up the International Federation of PGA Tours.
- Attendance (minimum 125,000): Sum of daily persons attending for the week of the tournament (Tuesday-Sunday). Attendance includes paid and unpaid attendees.
- Cumulative Reach (minimum 20%): The total unduplicated percentage of U.S. television households in use reached during the four-day tournament events as defined Nielsen Media Research.

DATE: March 4, 2004

TO: Ken Bruce, Budget Analyst

FROM: Yomi Agunbiade, Capital Program Manager

RE: Harding Park Golf Course Renovation Project
Funding Sources and Uses

Please find below the information requested regarding the cost overruns for the Harding Park project and the funding sources identified to cover those identified overruns. Attached also is a spreadsheet showing sources and uses with original budgets for each portion stated. Currently construction is underway on the Maintenance Facility and the Clubhouse construction contract is scheduled to be awarded by the Recreation and Park Commission at their March 18, meeting. It's important to note that state grants and private donations totaling $8,000,000 have been identified to cover 100% of the cost overruns described below.

If you have any further questions, you can reach me at 415-581-2555.

Harding Park Golf Course Renovation: Unforeseen Project Costs

Golf Course Renovation ($2,648,390)

1. Well Destruction ($35,000) : old irrigation well discovered on course required destruction in accordance with Health Dept policies.
2. Old Restaurant Demolition ($154,000): Structure was intended for re-use as the headquarters for the First Tee Program. After start of building renovation work, the building condition was too poor for use. Abatement, demolition and utility shut down required. An 850 gallon fuel tank was discovered during this demolition and required removal. Re-programming of this area required survey and design services.
3. Cart Barn Demolition ($24,000): Structure was intended for re-use, but beams could not support load of new electric cart chargers.
4. Course Drainage Failures ($1,555,000): Course drains were designed to collect runoff and allow for percolation into ground. Major storm in December revealed failure of system. New hard-piped system needed to be installed to get water off course.
5. Course Erosion ($880,390): Erosion damage came as a result of the drainage failures. Required reconstruction of two major slopes and three minor slopes.

Maintenance Facility ($1,436,000)

1. Additional Facilities ($1,235,000): the maintenance facility required more program elements than originally planned. Original concept included one large storage/repair building. Final design included main maintenance structure, offices, mechanic repair shop, small tool and irrigation storage, a separate structure for fertilizer storage, bins for dirt, sand, greens mix, etc., a an equipment washdown area and an employee parking lot.
2. All new utilities ($166,000): The maintenance facility site did not have any utilities. New utilities required included water, electricity, telephone, gas and sewer. Sewer line also required pumps to cross over 60" water main adjacent to street.

Capital Division
30 Van Ness Avenue 5th Floor
San Francisco, CA 94102

Phone: (415) 581-2559
Fax: (415) 581-2540

3. Well Destruction ($35,000): old irrigation well discovered on site required destruction in accordance with Health Dept policies.

Clubhouse ($3,438,000)

1. New utility services ($252,000): Existing phone and electrical service needed upgrade. Existing service came from line across bottom of Lake Merced. New service would need to be trenched (plus dispersal around site).
2. Expanded Facility ($3,186,000): Original budgeted design was underestimated and did not meet all needs of course, users and capacity for special events. The current design is a two story, 14,000 useable square foot clubhouse with a pro shop, dining facility for 150, kitchen, locker room/event room, restrooms, snack bar and storage on the first floor. The second floor will include a large assembly room with a deck view of the course, offices, restrooms, a meeting room, and storage and utility spaces. A small basement area will house building utilities. The facility will be used on a daily basis to serve golfers, the general public, the course operator and the First Tee of San Francisco who will operate their program from this building. The original 10,500 square foot building did not include space for the First Tee nor adequate dinning or kitchen facilities for hosting "Shotgun" tournaments and other special events which are more common in the industry. The clubhouse as designed maximizes the public use of the golf course and provides increased revenue opportunities.

Cart Barn ($200,000)

1. New structure and electrical services ($252,000): Original intent was to utilize existing structure. Existing structure was in poorer condition than expected and could not support the load of electric cart chargers.

TOTAL: $7,722,390

Note: All costs include design, construction and management costs

Expenditure by Facility	Original Budget	Revised Original Budget	Additional Expenditure Required	Revised Budget
Golf Course Renovation[1]	$8,419,210	$9,301,610	$2,648,390	$11,950,000
Parking[2]	-	1,200,000	-	1,200,000
New Clubhouse[2]	5,512,000	4,312,000	3,438,000	7,750,000
New Maintenance Facility	1,214,000	1,214,000	1,436,000	2,650,000
New Driving Range[1]	882,400	-		-
Cart Barn	-	-	200,000	200,000
Total Project Expenditures	$16,027,610	$16,027,610	$7,722,390	$23,750,000
Project Funding Sources				
State Grant Monies	$13,127,627		$3,500,000	$16,627,627
RPD Matching Funds	2,149,983			2,149,983
Private Matching Funds	750,000		4,500,000	5,250,000
Total Funding	$16,027,610		$8,000,000	$24,027,610

Revised Original Bugdet Notes

1. New driving range was completed as part of the Golf Course renovation.
2. Parking lot project was completed separately from the clubhouse.

Item 9 - File 03-1960

Note: This item was continued by the Finance and Audits Committee at its meeting of February 11, 2004.

Department: Taxi Commission

Item: Ordinance amending Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations.

Description: Currently, Article 16 of the Police Code includes a list of infractions and the corresponding fine amounts for such infractions for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Farell Suslow of the Police Department, citations for such violations are issued by the Police Department's Taxi Detail. According to Mr. Tom Owen of the City Attorney's Office, an infraction is the lowest category of a criminal offense. Mr. Owen states that citations for infractions are issued by police officers and the violations are prosecuted by the District Attorney.

Currently, there are fine amounts for such infractions which Mr. Owen states can only be imposed by the Courts. However, there are no administrative penalties for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Owen, an administrative penalty is a fine or monetary penalty levied directly by an administrative agency pursuant to authorizing legislation.

The proposed ordinance would amend Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to authorize the Taxi Commission's Executive Director to impose administrative penalties for violations committed by Taxicab permit holders instead of assessing the existing fine amounts for infractions set by the Courts. Ms. Naomi Little, Executive Director of the Taxi Commission, advises that the proposed administrative penalty amounts have been set at the same level as the

existing infraction fine amounts for violations committed by taxicab permit holders of the Taxi Commission's rules and regulations. According to Ms. Little, the existing fine amounts range from a low of $25 to a high of $250 for the first violation.

Currently, Article 16 of the Police Code and Appendix 6 of the Administrative Code allows the Taxi Commission to suspend or revoke a taxicab permit if the taxicab permit holder violates the full-time driving requirement. In accordance with these Codes, taxicab permit holders are required to be "full-time drivers," which is defined as the operation of the taxi at least four hours during any 24-hour period on at least four hours during any 24-hour period on at least 75 percent of the business days during the calendar year. Taxicab permit holders may lease their Taxicab permits, at any rate they choose, to other drivers for the remaining time when the permit holder is not driving his or her taxicab. According to Mr. Owen, the District Attorney may prosecute violations committed by taxicab permit holders of the full-time driving requirement. However, there are no fine amounts assessed for infractions or administrative penalties with respect to violations of the full-time driving requirement committed by taxicab permit holders.

The proposed ordinance would establish an administrative penalty amount for violations of the full-time driving requirement. The penalty amount could not exceed 1.5 times any lease fees charged by the taxicab permit holder to the other drivers who lease their taxicabs.

The proposed new Sections 1186, 1187, and 1188 to Article 16 of the Police Code would also:

- Establish procedures for the imposition of the new administrative penalties, such that the Executive Director notifies the taxicab permit holders in writing of the violation, the amount of the administrative penalty, and the right for the taxicab permit holder to request an administrative review of the Executive Director's determination of the violation.
- Establish administrative review procedures, such that the taxicab permit holder may request an

administrative review of the Taxi Commission's Executive Director's determination of a charged violation within 15 business days of the date of notice of the violation. The hearing officer is to provide a written recommendation to the Executive Director who may adopt, modify, or deny the hearing officer's recommendations. The seven member Taxi Commission could overturn the Executive Director's final decision by a two-thirds vote. According to Mr. Owen, taxicab permit holders charged with criminal violations are afforded due process through the Courts, whereas, taxicab permit holders charged with administrative violations would be afforded due process through an administrative proceeding.

- Authorize the Taxi Commission to collect administrative penalties, and authorize the Tax Collector to impose a lien against any real property that the taxicab permit holder may own, if the administrative penalty is unpaid after 30 days of the notice of the violation. Currently, the Superior Court collects the fines for cited infractions and issues a warrant for arrest for unpaid fines. Mr. Owen notes that by statute, the City must split any criminal fines collected for infractions with the State, but the City would retain all of the revenues generated from the collection of administrative penalties.
- Authorize the Executive Director to assess additional fees pertaining to the violations committed by taxicab permit holders in order to recover the costs incurred in enforcing the administrative penalties, including the costs of the Taxi Commission, the Police Department and the Tax Collector. Ms. Little states that the Taxi Commission, the Police Department, and the Tax Collector would have costs associated with the investigation, citation, and collection of the administrative penalties. Ms. Little states that the amount of such costs have not yet been estimated but that the Taxi Commission will work will the Controller's Office to determine the amount of the costs to be charged by the Taxi Commission to those taxicab permit holders who commit violations.

Comments:

1. According to Ms. Little, the intent of the proposed ordinance is to assess administrative penalties on taxicab

permit holders who commit violations of the Taxi Commission's Rules and Regulations, in addition to existing infraction penalties which are assessed for such violations, and to assess a penalty for violations of the full-time driving requirement. Ms. Little advises that the District Attorney, in the past, has not fully prosecuted taxicab permit holders who commit such violations. Ms. Little advises that in FY 2002-2003, the Police Department's Taxi Detail issued 34 citations, totaling $2,525 in fines. As of the writing of this report, Ms. Little does not know how much of the $2,525 of fines were paid.

2. According to Ms. Little, and as described in the Attachment, "The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures. Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes." As previously noted, such penalties would be assessed by the Director of the Taxi Commission instead of assessing the existing fine amounts for infractions set by the Courts.

3. According to Ms. Little, the existing authority of the Taxi Commission to suspend or revoke the permits issued to taxicab holders for violations of the full-time driving requirement is too stringent because such citations impact the taxicab permit holders livelihood. As described in the Attachment to this report, provided by Ms. Little, "when the Commission believes suspension or revocation is harsh, but needs to discipline the taxicab permit holder, the Commission should be able to impose administrative penalties."

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Peskin
Supervisor Sandoval
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

City and County of San Francisco

Taxi Commission
Mayor Willie L. Brown, Jr.

Naomi M. Little
Executive Director

MEMORANDUM

TO: HARVEY ROSE
BUDGET ANALYST

FROM: NAOMI LITTLE

DATE: JANUARY 14, 2004

SUBJECT: TAXI COMMISSION ADMINISTRATIVE PENALTIES

There are currently 7,500 taxicab drivers, 1,381 taxicab permits, 30 color schemes and 10 dispatch companies. Taxicab permitholders[1] are required to keep their taxicabs in continual operation. A three-layer system exists in San Francisco. When a permitholder is not driving, the permitholder leases his or her medallion to non-medallion drivers through color scheme holders.[2] The permitholder is paid a lease fee by the color scheme, and in turn, the color scheme charges the taxicab driver[3] a gate fee for the use of the vehicle for the day. All meter fare income goes directly to the driver.

The Taxi Commission ("Commission") has pending 105 full-time driving requirement investigations. Additionally, the Commission is performing comprehensive audits of the color schemes and dispatches.

Existing Rules and Regulations, Citation, Enforcement and Fine Collection

Section 1187. Commission Rules and Regulations; Violations; Administrative Penalties.

Currently, under Municipal Police Code § 1185, violations of Article 16 of the Municipal Police Code, which includes Taxi Commission rules and regulations, are chargeable by the District Attorney as an infraction. The Police Department's Taxi Detail issues these citations. In Board of Supervisor Ordinance 106-99, the Board amended the Police Code to make violations of the Taxi Commission's Rules and Regulations an infraction by

[1] "Permit holders" are also referred as "medallion holders." A medallion holder is any permittee licensed by the City to own and operate a taxicab.
[2] "Color scheme holders" are permittees licensed by the City to operate a taxicab color scheme. The phrase "Color Scheme Holder," "Taxicab Company" and "Taxi Company" may be used interchangeably.
[3] "Taxicab Drivers" are non-medallion holders. A taxicab driver is a permitee licensed by the City to drive on behalf of the medallion holder.

establishing fines, and outlining the degree of fines levied for violations of the Taxi Commission Rules.

Existing Rules and Under Municipal Police Code § 1090, the Taxi Commission only has the power to suspend or revoke a permit for good cause after a noticed hearing. Good cause includes violating the full-time driving requirement, failure to pay a permit fee, operating without insurance, being convicted of a crime involving moral turpitude, failure to satisfy a judgment for damages arising out of negligent operation, violation of the Municipal Traffic Code or California Vehicle Code, and any other applicable statute, ordinance, rule or regulation pertaining to the licensing of taxi permits.

Currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment.

Role of the SFPD Taxi Detail:

The Police Department oversees criminal enforcement the Taxi Commission Rules and Regulations and the Full-Time Driving Requirements. This includes street enforcement, local or state law violation complaints, and lost property recovery. Street enforcement entails monitoring taxicabs on the street to determine whether the driver is carrying his or her A-card (i.e. driver's permit card), identification badge and to ensure the taxicab is in compliance with the California Vehicle Code, the Municipal Police Code and the Taxicab Commission's Rules and Regulations. The Taxi Detail additionally performs Proposition K, Color Scheme and Dispatch Audits for the Taxi Commission.

For fiscal year 2002-03 the SFPD Taxi Detail issued 34 citations containing a total of 42 violations as follows:

23 violations for $25	=	$ 575.00
16 violations for 75	=	1,200.00
3 violations for 250	=	750.00
Total	=	$2,525.00

This process was not fully operational throughout the entire fiscal year. The Taxi Detail wanted to issue more infraction citations than they were allowed because the Superior Court had not approved all of the infraction penalties for the Taxi Commission Rules & Regulations. Even though the Board of Supervisors and Taxi Commission approved the infraction penalties, the infraction penalties are subject to Superior Court approval.

Also, infraction citations are not forwarded to the DA's office. They are submitted directly to the Superior Courts. They are handled the same as traffic tickets. Cases that would be cited as misdemeanors do go to the DA's office.

Problems with Existing Citation, Enforcement and Fine Collection Procedures

In performing audits each year, the Taxi Commission is finding that color schemes are continuing to violate certain Taxi Commission Rules. Suspension or revocation of a color scheme permit (i.e. taxicab company) is extremely drastic because it not only affects the color scheme, but the numerous drivers and taxicab permit holders that are affiliated with the color scheme. Suspension of a color scheme essentially suspends the taxicab permit holders' permits at that color scheme, regardless if the taxicab permit holders violated any rules. The Taxi Commission needs a vehicle to discipline color scheme permit holders without affecting the medallion holders or drivers.

As explained, currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment. These penalties do not serve as deterrence. It is just the cost of doing business.

Administrative penalties create a process of escalated discipline that begins with fines and leads all the way up to revocation. By way of history, most permitholders believe that the San Francisco Board of Appeals will overturn Taxi Commission revocation of permit decisions for failure to comply with the full-time driving requirement. The Board of Appeals has criticized the Taxi Commission for immediately suspending or revoking a permit for failure to comply with the full-time driving requirement after the first offense. They believe this measure is extreme. More likely than not, the Board of Appeals will start upholding the Taxi Commission revocation decisions, if the Commission penalized the permitholder on an progressive scale: i.e. an administrative fine for the first offense; suspension for the second offense; and revocation for the third offense.

Additionally, suspending or revoking a permit because a permitholder fell short of the fulltime-driving requirement by a few shifts; or violated the Commission rule of possessing and issuing comment cards is a drastic measure. When the Commission believes suspension or revocation is harsh, but needs to discipline the permitholder, the Commission should be able to impose administrative penalties.

Proposed New Administrative Penalties

The Commission believes administrative penalties will encourage all permitholders to comply with Commission rules. Permitholders will take their chances that if they appeal the Commission's revocation decision to the Board of Appeals, the Board will overturn the Taxi Commission's decision.

Fines for violating the full-time driving requirement will not exceed 1.5 times any lease fee collected by the permitholder during the period that he or she did not meet the full-time driving requirement. For example, if the permitholder lease fee is $1,800[4], then the fine could be up to $2,700. In imposing the fine, the Executive Director can take into

[4] In December 1998, Police Code 1135.2 set a lease fee cap of $1,800/month. However, in December 2000, the provision expired. Currently, the lease fee is set by market demands.

account whether the permitholder had previous violations, whether there was willful concealment and/or misrepresentations to the Taxi Commission, or mitigating circumstances. I guarantee, no permitholder wants to pay a fine of $2,700.

In imposing administrative penalties, which the proposed ordinance would establish, the Commission would like to use the same infraction fine schedule. The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures (with their attendant costs and burdening the courts). Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes.

Taxi Commission Hearing Procedures

Beginning in July 2003, the Taxi Commission established a hearing officer to hear all disciplinary cases that were brought before the Taxi Commission. To protect the rights of all the taxi permitholders, the Hearing Officer is not an employee of the Taxi Commission, but a Department of Parking and Traffic Hearing Officer. These disciplinary hearings are heard on the first Friday of every month. The Hearing Officer conducts the hearing, and makes a recommended decision. The Executive Director of the Taxi Commission, who can adopt, modify, or deny such recommendation and prepare a final decision on the matter, automatically reviews the proposed decision. The Executive Director places the final decision on the Taxi Commission's consent calendar for the next scheduled meeting. The Taxi Commission may only modify or overturn the Executive Director's decision by a two-thirds' vote. The Taxi Commission's decision is appealable to the Board of Appeals.

Any time the Taxi Commission grant, denies, suspends or revokes a permit, the matter may be appealed to the San Francisco Board of Appeals within 15 days of the Taxi Commission decision pursuant to Charter 4.106.

City and County of San Francisco

Meeting Agenda

Finance and Audits Committee

Members: Aaron Peskin, Gerardo Sandoval, Jake McGoldri

Clerk: Victor Young

City Hall
[Budget Analyst Report]
SF Public Library
Govt. Information Center, 5th Flr.
ATTN: Michael Sherrod-Flores

Wednesday, March 17, 2004 | **12:30 PM** | **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:

1) *Legislation*
2) *Budget Analyst report*
3) *Legislative Analyst report*
4) *Department or Agency cover letter and/or report*
5) *Public correspondence*

These items will be available for review at City Hall, Room 244, Reception Desk.

251

04

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

REGULAR AGENDA

DOCUMENTS DEPT.

MAR 15 2004

SAN FRANCISCO
PUBLIC LIBRARY

1. 031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby; Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi; Dennis Korkos; Norma Geer; Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom.
Continued to 2/25/04.

3/10/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Tom Owen, City Attorney's Office; Rua Grafis.

3/10/04, CONTINUED. Continued to March 17, 2004.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Audits Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

040194 **[Employee Catastrophic Illness Program]**

Supervisor Ammiano

Ordinance amending Section 16.9-29A(d) of the San Francisco Administrative Code to authorize employee reimbursement of the Catastrophic Illness Program upon qualification for or receipt of disability benefits and amending Section 16.9-29A(i) of the San Francisco Administrative Code to authorize employee transfer of unused hours to pool if participation in Catastrophic Illness Program expires or is terminated.

2/10/04, ASSIGNED UNDER 30 DAY RULE to Finance and Audits Committee, expires on 3/11/2004.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

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Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

BOARD of SUPERVISORS

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NOTICE OF CANCELLED MEETING

FINANCE AND AUDITS COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Finance and Audits Committee scheduled for Wednesday, March 17, 2004, at 12:30 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

CITY AND COUNTY OF SAN FI

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

[Budget Analyst Report]
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ATTN: Michael Sherrod-Flores

March 11, 2004

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TO: Finance and Audits Committee

FROM: Budget Analyst

SUBJECT: March 17, 2004 Finance and Audits Committee Meeting

Item 1 - File 03-1960

Note: This report reflects the Amendment to the Whole adopted by the Finance and Audits Committee at its meeting on March 10, 2004.

Department: Taxi Commission

Item: Ordinance amending Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations.

Description: Currently, Article 16 of the Police Code includes a list of infractions and the corresponding fine amounts for such infractions for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Farell Suslow of the Police Department, citations for such violations are issued by the Police Department's Taxi Detail. According to Mr. Tom Owen of the City Attorney's Office, an infraction is the lowest category of a criminal offense. Mr. Owen states that citations for infractions are issued by police officers and the violations are prosecuted by the District Attorney.

Currently, there are fine amounts for such infractions which Mr. Owen states can only be imposed by the Courts. However, there are no administrative penalties

for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Owen, an administrative penalty is a fine or monetary penalty levied directly by an administrative agency pursuant to authorizing legislation.

The proposed ordinance would amend Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to authorize the Taxi Commission to impose administrative penalties for violations committed by Taxicab permit holders instead of assessing the existing fine amounts for infractions set by the Courts. Ms. Naomi Little, Executive Director of the Taxi Commission, advises that the proposed administrative penalty amounts have been set at the same level as the existing infraction fine amounts for violations committed by taxicab permit holders of the Taxi Commission's rules and regulations. According to Ms. Little, the existing fine amounts range from a low of $25 to a high of $250 for the first violation.

Currently, Article 16 of the Police Code and Appendix 6 of the Administrative Code allows the Taxi Commission to suspend or revoke a taxicab permit if the taxicab permit holder violates the full-time driving requirement. In accordance with these Codes, taxicab permit holders are required to be "full-time drivers," which is defined as the operation of the taxi at least four hours during any 24-hour period on at least four hours during any 24-hour period on at least 75 percent of the business days during the calendar year. Taxicab permit holders may lease their Taxicab permits, at any rate they choose, to other drivers for the remaining time when the permit holder is not driving his or her taxicab. According to Mr. Owen, the District Attorney may prosecute violations committed by taxicab permit holders of the full-time driving requirement. However, there are neither fine amounts assessed for infractions nor administrative penalty amounts with respect to violations of the full-time driving requirement committed by taxicab permit holders.

The proposed ordinance would establish an administrative penalty amount for violations of the full-time driving requirement. The penalty amount could not exceed 0.5 times any lease fees charged by the taxicab

permit holder to the other drivers who lease their taxicabs.

The proposed new Sections 1186, 1187, and 1188 to Article 16 of the Police Code would also:

- Establish procedures for the imposition of the new administrative penalties, such that the Executive Director notifies the taxicab permit holders in writing of the violation and appoints a Hearing Officer from a list approved by the Taxi Commission. The Hearing Officer would recommend the amount of the administrative penalty and submit that recommendation in writing to the Taxi Commission. The Taxi Commission may adopt, modify, or deny the Hearing Officer's recommendations, including the recommended penalty amounts, by a simple majority vote. According to Mr. Owen, taxicab permit holders charged with criminal violations are afforded due process through the Courts, whereas, taxicab permit holders charged with administrative violations would be afforded due process through an administrative proceeding.

- Authorize the Taxi Commission to collect administrative penalties, and authorize the Taxi Commission to suspend or revoke the permit of the Taxicab permit holders, if the administrative penalty is unpaid after 30 days of the notice of the violation. Currently, the Superior Court collects the fines for cited infractions and issues a warrant for arrest for unpaid fines. Mr. Owen notes that by statute, the City must split any criminal fines collected for infractions with the State, but the City would retain all of the revenues generated from the collection of administrative penalties.

- Prohibit the Taxi Commission from imposing administrative penalties for violations of the full-time driving requirement (a) if the permit holder is at least 65 years of age during the calendar year when the violation was alleged to have occurred and had driven a taxicab in San Francisco for at least 25 years, or (b) if the taxicab permit holder is disabled and his or her

failure to fulfill the full-time driving requirement was due to that disability.

Comments:

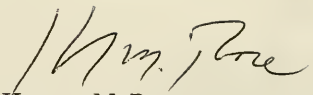
1. According to Ms. Little, the intent of the proposed ordinance is to assess administrative penalties on taxicab permit holders who commit violations of the Taxi Commission's Rules and Regulations, in addition to existing infraction penalties which are assessed for such violations, and to assess a penalty for violations of the full-time driving requirement. Ms. Little advises that the District Attorney, in the past, has not fully prosecuted taxicab permit holders who commit such violations. Ms. Little advises that in FY 2002-2003, the Police Department's Taxi Detail issued 34 citations, totaling $2,525 in fines. As of the writing of this report, Ms. Little does not know how much of the $2,525 of fines were paid.

2. According to Ms. Little, and as described in the Attachment, "The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures (with their attendant costs and burdening the courts). Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes."

3. According to Ms. Little, the existing authority of the Taxi Commission to suspend or revoke the permits issued to taxicab holders for violations of the full-time driving requirement is too stringent because such citations impact the taxicab permit holder's livelihood. As described in the Attachment to this report, provided by Ms. Little, "when the Commission believes suspension or revocation is harsh, but needs to discipline the taxicab permit holder, the Commission should be able to impose administrative penalties."

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Peskin
Supervisor Sandoval
Supervisor McGoldrick
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

CITY AND COUNTY OF
SAN FRANCISCO

TAXI COMMISSION
MAYOR GAVIN C. NEWSOM

ARTHUR JACKSON, PRESIDENT
PAUL GILLESPIE, VICE PRESIDENT
JACK BARRY, COMMISSIONER
PATRICIA BRESLIN, COMMISSIONER
MARY McGUIRE, COMMISSIONER
MIN PAEK, COMMISSIONER
MARTIN SMITH, COMMISSIONER

NAOMI M. LITTLE, EXECUTIVE DIRECTOR

MEMORANDUM

TO: HARVEY ROSE
BUDGET ANALYST

FROM: NAOMI LITTLE

DATE: March 11, 2004

SUBJECT: TAXI COMMISSION ADMINISTRATIVE PENALTIES

There are currently 7,500 taxicab drivers, 1,381 taxicab permits, 30 color schemes and 10 dispatch companies. Taxicab permitholders[1] are required to keep their taxicabs in continual operation. A three-layer system exists in San Francisco. When a permitholder is not driving, the permitholder leases his or her medallion to non-medallion drivers through color scheme holders.[2] The permitholder is paid a lease fee by the color scheme, and in turn, the color scheme charges the taxicab driver[3] a gate fee for the use of the vehicle for the day. All meter fare income goes directly to the driver.

The Taxi Commission ("Commission") has pending 105 full-time driving requirement investigations. Additionally, the Commission is performing comprehensive audits of the color schemes and dispatches.

Existing Rules and Regulations, Citation, Enforcement and Fine Collection

Section 1187. Commission Rules and Regulations; Violations; Administrative Penalties.

Currently, under Municipal Police Code § 1185, violations of Article 16 of the Municipal Police Code, which includes Taxi Commission rules and regulations, are chargeable by the District Attorney as an infraction. The Police Department's Taxi Detail issues these citations. In Board of Supervisor Ordinance 106-99, the Board amended the Police Code to make violations of the Taxi Commission's Rules and Regulations an infraction by

[1] "Permit holders" are also referred as "medallion holders." A medallion holder is any permittee licensed by the City to own and operate a taxicab.
[2] "Color scheme holders" are permittees licensed by the City to operate a taxicab color scheme. The phrase "Color Scheme Holder," "Taxicab Company" and "Taxi Company" may be used interchangeably.
[3] "Taxicab Drivers" are non-medallion holders. A taxicab driver is a permitee licensed by the City to drive on behalf of the medallion holder.

1 Dr. Carlton B. Goodlett Place, Room 448, San Francisco, CA 94102
(415) 554-7750, FAX (415) 554-7751, email: sftaxicommission@sfgov.org, website: www.sfgov.org/taxicommission

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establishing fines, and outlining the degree of fines levied for violations of the Taxi Commission Rules.

Existing Rules and Under Municipal Police Code § 1090, the Taxi Commission only has the power to suspend or revoke a permit for good cause after a noticed hearing. Good cause includes violating the full-time driving requirement, failure to pay a permit fee, operating without insurance, being convicted of a crime involving moral turpitude, failure to satisfy a judgment for damages arising out of negligent operation, violation of the Municipal Traffic Code or California Vehicle Code, and any other applicable statute, ordinance, rule or regulation pertaining to the licensing of taxi permits.

Currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment.

Role of the SFPD Taxi Detail:

The Police Department oversees criminal enforcement the Taxi Commission Rules and Regulations and the Full-Time Driving Requirements. This includes street enforcement, local or state law violation complaints, and lost property recovery. Street enforcement entails monitoring taxicabs on the street to determine whether the driver is carrying his or her A-card (i.e. driver's permit card), identification badge and to ensure the taxicab is in compliance with the California Vehicle Code, the Municipal Police Code and the Taxicab Commission's Rules and Regulations. The Taxi Detail additionally performs Proposition K, Color Scheme and Dispatch Audits for the Taxi Commission.

For fiscal year 2002-03 the SFPD Taxi Detail issued 34 citations containing a total of 42 violations as follows:

23 violations for $25	=	$ 575.00
16 violations for 75	=	1,200.00
3 violations for 250	=	750.00
Total	=	$2,525.00

This process was not fully operational throughout the entire fiscal year. The Taxi Detail wanted to issue more infraction citations than they were allowed because the Superior Court had not approved all of the infraction penalties for the Taxi Commission Rules & Regulations. Even though the Board of Supervisors and Taxi Commission approved the infraction penalties, the infraction penalties are subject to Superior Court approval.

Also, infraction citations are not forwarded to the DA's office. They are submitted directly to the Superior Courts. They are handled the same as traffic tickets. Cases that would be cited as misdemeanors do go to the DA's office.

Problems with Existing Citation, Enforcement and Fine Collection Procedures

In performing audits each year, the Taxi Commission is finding that color schemes are continuing to violate certain Taxi Commission Rules. Suspension or revocation of a color scheme permit (i.e. taxicab company) is extremely drastic because it not only affects the color scheme, but the numerous drivers and taxicab permit holders that are affiliated with the color scheme. Suspension of a color scheme essentially suspends the taxicab permit holders' permits at that color scheme, regardless if the taxicab permit holders violated any rules. The Taxi Commission needs a vehicle to discipline color scheme permit holders without affecting the medallion holders or drivers.

As explained, currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment. These penalties do not serve as deterrence. It is just the cost of doing business.

Administrative penalties create a process of escalated discipline that begins with fines and leads all the way up to revocation. By way of history, most permitholders believe that the San Francisco Board of Appeals will overturn Taxi Commission revocation of permit decisions for failure to comply with the full-time driving requirement. The Board of Appeals has criticized the Taxi Commission for immediately suspending or revoking a permit for failure to comply with the full-time driving requirement after the first offense. They believe this measure is extreme. More likely than not, the Board of Appeals will start upholding the Taxi Commission revocation decisions, if the Commission penalized the permitholder on an progressive scale: i.e. an administrative fine for the first offense; suspension for the second offense; and revocation for the third offense.

Additionally, suspending or revoking a permit because a permitholder fell short of the fulltime-driving requirement by a few shifts; or violated the Commission rule of possessing and issuing comment cards is a drastic measure. When the Commission believes suspension or revocation is harsh, but needs to discipline the permitholder, the Commission should be able to impose administrative penalties.

<u>Supervisor Sandoval's Amendment to the Whole Dated 2/18/04</u>

The Commission believes administrative penalties will encourage all permitholders to comply with Commission rules. Permitholders will take their chances that if they appeal the Commission's revocation decision to the Board of Appeals, the Board will overturn the Taxi Commission's decision.

Fines for violating the full-time driving requirement will not exceed .5 times any lease fee collected by the permitholder during the period that he or she did not meet the full-time driving requirement. Or, where the permitholder does not collect lease fees, the Commission may impose administrative penalty not to exceed an amount yet to be

determined. For example, if the permitholder lease fee is $1,800[4], then the fine could be up to $9,000. Whereas, under the original Taxi Commission proposed legislation, the lease fee would be up to $2,700 (i.e. 1.5 times the lease fee). In imposing the fine, the Taxi Commission can take into account whether the permitholder had previous violations, whether there was willful concealment and/or misrepresentations to the Taxi Commission, or mitigating circumstances.

In imposing administrative penalties, which the proposed ordinance would establish, the Commission would like to use the same infraction fine schedule. The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures (with their attendant costs and burdening the courts). Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes.

Taxi Commission Hearing Procedures

Beginning in July 2003, the Taxi Commission established a hearing officer to hear all disciplinary cases that were brought before the Taxi Commission. To protect the rights of all the taxi permitholders, the Hearing Officer is not an employee of the Taxi Commission, but a Department of Parking and Traffic Hearing Officer. These disciplinary hearings are heard on the first Friday of every month. The Hearing Officer conducts the hearing, and makes a recommended decision. The final decision is placed on the Taxi Commission's consent calendar for the next scheduled meeting.

Any time the Taxi Commission grant, denies, suspends or revokes a permit, the matter may be appealed to the San Francisco Board of Appeals within 15 days of the Taxi Commission decision pursuant to Charter 4.106.

[4] In December 1998, Police Code 1135.2 set a lease fee cap of $1,800/month. However, in December 2000, the provision expired. Currently, the lease fee is set by market demands.

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City and County of San Francis
Meeting Minutes
Finance and Audits Committe

Members: Chris Daly, Aaron Peskin, Tom Amn

Clerk: Mary Red

Wednesday, March 24, 2004 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Members Present: Chris Daly, Aaron Peskin, Tom Ammiano.

Meeting Convened

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The meeting convened at 1:15 p.m.

REGULAR AGENDA

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040219 **[Administrative Code Revision: Health Service System]**

Supervisor Daly

Ordinance amending Chapter 16, Article XV, of Part 1 of the San Francisco Municipal (Administrative) Code by amending Section 16.703 regarding Board approval of Health Service System Plans and Contribution Rates. (Human Resources Department)

(Fiscal impact.)

2/27/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. 3/16/04, Supervisor Daly requested to be added as a co-sponsor.

Heard in Committee. Speakers: Jeffrey Hildebrant, Deputy Director, Health Service System Division; Harvey Rose, Budget Analyst; Male speaker; Supervisor Daly; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040002 **[Appropriate funding for the Courthouse Construction Fund to fund court facility renovations]**

Mayor

Ordinance appropriating $1,782,000 from the Courthouse Construction Fund to fund court facility renovations and a jurisdictional transfer of property under the control of the City and County of San Francisco for fiscal year 2003-04.

(Fiscal impact.)

1/6/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/10/04, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Mr. Parkline.

Heard in Committee. Speakers: Supervisor Peskin; Gordon Park-Li, Superior Court; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040094 **[Appropriate funding for program management services for the S.F. Public Utilities Commission Capital Improvement Program, Program PEIR, and the intertie between EBMUD and San Francisco's water supply system]**

Mayor

Ordinance appropriating $2,747,247 of personnel-operating fund balance from the Water Department and $12,985,734 of Proposition A Bond funds, for a total of $15,732,981 for: $2,747,247 to fund office space, staff and services of other departments for continued implementation of the Capital Improvement Program (CIP) of which $595,627 is retroactive, $8,400,000 for the intertie between the East Bay Municipal Utility District (EBMUD) and San Francisco's water supply system, and $4,585,734 to fund the Programmatic Environmental Impact Report (PEIR), of which $400,000 is retroactive for necessary staff in SFPUC to work on the program planning efforts to facilitate implementation of the CIP for fiscal year 2003-04.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Jr., Public Utilities Commission (PUC); Supervisor Peskin; Lawrence Battner, Acting Director, Planning Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; Paul Maltzer, Planning Department; Jean Mariani, PUC; Gary Dow, PUC Real Estate; Steve Legnitto, Real Estate Department; David Novogrodsky, Local 21; Sally Ramon; Chris Durazo; Mel Beetle; Delbert Scott; Victor Herrera.

Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040095 **[Public Employment]**

Mayor

Ordinance amending Ordinance No. 195-03 (Annual Salary Ordinance 2003/04) reflecting the creation of 7 positions (1.75 FTE) at the Water Department, 3 positions (0.75 FTE) at the Human Rights Commission, and 5 positions (1.25FTE) at the Human Resources Department.

(Fiscal impact.)

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Jr., Public Utilities Commission (PUC); Supervisor Peskin; Lawrence Battner, Acting Director, Planning Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; Paul Maltzer, Planning Department; Jean Mariani, PUC; Gary Dow, PUC Real Estate; Steve Legnitto, Real Estate Department; David Novogrodsky, Local 21; Sally Ramon; Chris Durazo; Mel Beetle; Delbert Scott; Victor Herrera.

Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Ordinance No. 195-03 (Annual Salary Ordinance 2003/04) reflecting the creation of 4 positions (1.00 FTE) at the Water Department, 1 position (0.25 FTE) at the Human Rights Commission, and 1 position (0.25FTE) at the Human Resources Department.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040037 **[Lease of Real Property - 1145 Market Street]**

Resolution authorizing the lease of 30,790 sq. ft. of office space in the building located at 1145 Market Street, San Francisco for the City and County of San Francisco Public Utilities Commission. (Real Estate Department)

1/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Harlan Kelly, Jr., Public Utilities Commission (PUC); Supervisor Peskin; Lawrence Battner, Acting Director, Planning Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; Paul Maltzer, Planning Department; Jean Mariani, PUC; Gary Dow, PUC Real Estate; Steve Legnitto, Real Estate Department; David Novogrodsky, Local 21; Sally Ramon; Chris Durazo; Mel Beetle; Delbert Scott; Victor Herrera.
Continued to 3/31/04.

CONTINUED by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

031640 **[Airport - Amendment to Concession Agreement and Lease Agreement for Rental Car Operations]**

Resolution approving (a) Amendment No. 1 to the Concession Agreements and Lease Agreements for Rental Car Operations between Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc., and the City and County of San Francisco, acting by and through its Airport Commission; and (b) Amendment No. 1 to the Lease Agreement for Rental Car Operations between National Car Rental Systems, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

9/26/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/10/04, CONTINUED. Continued to March 24, 2004.

Heard in Committee. Speakers: Kathy Wagner, Airport; Harvey Rose, Budget Analyst.
Continued to April 14, 2004.

CONTINUED by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

The chair intends to entertain a motion to continue File No. 031960 to the call of the chair.

031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby; Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi; Dennis Korkos; Norma Geer; Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom.
Continued to 2/25/04.

3/10/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Tom Owen, City Attorney's Offce; Rua Grafis.

3/10/04, CONTINUED. Continued to March 17, 2004.

3/17/04, MEETING CANCELLED.

Speakers: Mark Gruberg; Male Speaker.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

LITIGATION

Conference with City Attorney

[Convene in Closed Session - Existing Litigation - City as Plaintiff and/or Defendant]
Motion that the Finance and Audits Committee of the Board of Supervisors convene in closed session with the City Attorney for the purpose of conferring with, or receiving advice from, the City Attorney regarding the following existing lawsuits and claims in which proposed settlements are being considered by the Committee. Government Code 54956.9(a) and San Francisco Administrative Code Section Section 67.10(d) permit this closed session. Discussion in open session concerning these matters would likely and unavoidably prejudice the position of the City in the pending lawsuits and/or claims listed below.

Unanimous vote to convene in closed session by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040321 **[Settlement of Lawsuit - United Air Lines, Inc., et al.]**

Supervisor Daly

Ordinance authorizing settlement of the lawsuit filed by the City and County of San Francisco, acting by and through its Airport Commission against United Air Lines, Inc., for the payment to the Airport of environmental clean-up costs and agreement of a percentage allocation for future clean-up costs with regard to City and County of San Francisco v. ARCO et al., Case No. C-97-2965 MMC (N.D. Cal.); and for the settlement of an unlitigated claim between the Airport, on the one hand, and United Air Lines, Inc. and United Cogen, Inc., on the other hand regarding an early assumption by United of its Airport leases and other agreements with regard to re UAL Corporation, et al., Debtors, Case No. 02-4819, United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. Sponsor requests this item be scheduled for consideration at the March 24, 2004 meeting.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

Report on Closed Session

Deputy City Attorney Ted Lakey reported that the Finance Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]

Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose discussion to the public by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

ADJOURNMENT

The meeting adjourned at 3:00 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 941
FAX (415) 252-0461

[Budget Analyst Report]
SF Public Library
Govt. Information Center, 5th Flr.
ATTN: Michael Sherrod-Flores

DOCUMENTS DEPT.

MAR 23 2004

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TO: Finance and Audits Committee

FROM: Budget Analyst

SUBJECT: March 24, 2004 Finance and Audits Committee Meeting

Item 1 - File 04-0219

Department: Health Service System (HSS)
Department of Human Resources (DHR)

Item: Ordinance amending Chapter 16, Article XV, of Part 1 of the San Francisco Municipal (Administrative) Code by amending Section 16.703 regarding the Board of Supervisors approval of Health Service System Plans and Contribution Rates.

Description: The proposed ordinance would amend Section 16.703 of the Administrative Code to approve the City's FY 2004-2005 Health Service System plans and rates of contributions, to be paid by members of the System. These plans and rates of contribution were adopted by the Health Service Board on February 26, 2004. The members of the System include employees and retirees of the City and County of San Francisco, the San Francisco Community College District (SFCCD), and the San Francisco Unified School District (SFUSD), the spouses, domestic partners and surviving spouses of such employees and retirees, and members of Boards and Commissions.

Health Plans

In accordance with Charter Sections A8.423 and A8.428, the amount of the City's contribution toward health plan premiums on behalf of the above-noted employees is based on a survey of contributions made by the ten most populous counties in California. Based on the survey, the Health Service System determined that the City's FY 2004-2005 contribution, effective July 1, 2004, is $312.90 per employee per month. This represents an increase of $31.69, or approximately 11.3 percent, from the FY 2003-2004 contribution rate of $281.21 per employee per month. The Board of Supervisors previously approved the City's FY 2004-2005 contribution of $312.90 in February of 2004 (File No. 03-1974).

The Health Service System Board has approved four health plans for FY 2004-2005: (a) City Health Plan, which is a self-funded Preferred Provider Organization (PPO) plan currently administered by the Health Service System, and (b) three health maintenance organization (HMO) plans, including Kaiser, Health Net, and Blue Shield. Once the City's contribution is established, the Health Service System actuary, Towers Perrin, calculates the Health Service System employees' (members) needed contributions to the City Health Plan, in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. Towers Perrin determines the monthly premium payments for the City Health Plan each year, based on claims experience, level of benefits, and Plan enrollment. Subsequently, the City negotiates the monthly premium payments needed to be paid each year by the members who enroll in these plans with the three HMOs. The actuarial report and details of the member contribution rates to be paid for the City Health Plan and the three HMOs, prepared by Towers Perrin, are on file with the Clerk of the Board.

In FY 2004-2005, monthly premiums to be paid by Health Service System members for all four health plans, as prepared by Towers Perrin, will change ranging from a decrease of 2.9 percent to an increase of 26.6 percent as

shown in Attachment I submitted by the Health Service System. Several factors affect increases in the monthly premium payments, as follows:

- All four health plans will have changes in the benefit levels in FY 2004-2005, including:

  (a) The City Health Plan will increase the transgender benefit to eliminate the current one year waiting period and increase the lifetime maximum benefit from $50,000 to $75,000. In addition, effective July 1, 2004, claims payment processing will be administered by United Healthcare.

  (b) The Kaiser HMO Plan will now administer transgender benefits through its network of HMO providers. Prescription drug co-payments will increase from $5/$10 to $5/$15 (the lower amount for generic prescriptions and the higher is for name-brand prescriptions) for a 100-day supply. In addition, dental benefits have been eliminated from the Kaiser HMO Plan and the emergency room co-payments increased from $10 to $20 in the Kaiser Medicare + Choice plan for retirees.

  (c) The Health Net HMO Plan will now administer transgender benefits through its network of HMO providers. In addition, prescription drug co-payments will change from $5/$10/$20 to $5/$15/$25 (retail pharmacy) and $10/$30/$50 for mail order prescriptions (the first amount is for generic prescriptions, the second amount is for name brand, formulary prescriptions and the third amount is for name brand, non-formulary prescriptions).

  (d) The Blue Shield HMO Plan will now administer transgender benefits through its network of HMO providers. In addition, prescription drug co-payments will change from $5/$10/$20 to $5/$15/$25 (retail pharmacy) and $10/$30/$50 for mail order prescriptions.

- The Health Service Board approved a $12 million subsidy from the Health Service System Fund on February 26, 2004, to reduce the costs to be paid by the members for their monthly health plan premium as well as the costs to the City, the SFCCD and the SFUSD. The Health Service System Fund will pay a $9 million subsidy for the City Health Plan and a $3 million subsidy to for the Blue Shield, Health Net and Kaiser plans. Of the total subsidy of $12.0 million, $3,520,158 or 29.3 percent will be used to reduce the cost to the City's General Fund and $8,479,842 or 70.7 percent will be used to reduce the costs of the members share of the health plan premiums and the costs to the SFCCD and the SFUSD.

- According to the City's Comprehensive Annual Financial Report (CAFR) for FY 2003-2004, as of June 30, 2003 the Health Service System Fund Balance was $38,170,000.

As previously noted, Attachment I is a summary of the monthly premium costs to members for each of the four health plans, based on information determined by Towers Perrin. The monthly premium rates for the City Health Plan and the three HMOs are net of the effect of the $12 million Health Service System Fund subsidy and changes in the benefit levels. The Towers Perrin actuarial report, which is on file with the Clerk of the Board, contains further details on the proposed rates.

Vision and Dental Plans

Health Service System members enrolled in the four health plans, including the City Health Plan and the three HMOs, receive vision benefits. Members enrolled in Kaiser receive vision benefits directly from the Kaiser plan. Members enrolled in the City Health Plan, Blue Shield, and Health Net receive vision benefits through the Vision Service Plan (VSP). The monthly premium payments for vision benefits are included in each respective health plans' monthly premium rates shown in Attachment I.

Health Service System members may enroll in one of three dental plans offered by the Health Service System: a fee-for-service plan administered by Delta Dental, and two prepaid plans offered by PMI and Pacific Union. As noted in Attachment I, in FY 2004-2005 the City pays $100.50 per employee per month for dental premiums, which is based on the average cost of coverage for all employees. In FY 2004-2005, Towers Perrin has determined that the monthly premium payments for Delta Dental, which is self-insured, would increase by 2.3 percent, based on claim experience. The FY 2004-2005 PMI monthly premium payments will increase by 6 percent for employees and by 2 percent for retirees. The Pacific Union monthly premium payments for dental benefits in FY 2004-2005 will remain at the same rates as for FY 2003-2004.

Comment:

The City's total FY 2003-2004 General Fund cost for Health Service System benefits to employees, including (a) Charter mandated contributions determined through the ten County survey, (b) contributions on behalf of Retirees mandated by Charter Section A8.428c, and (c) additional MOU required "pick-up" costs, to pay for the employees' share of the health plan premiums as previously approved by the Board of Supervisors, was budgeted at $160,500,000. According to Ms. Peg Stevenson of the Controller's Office, such General Fund costs would increase by $22,280,000 in FY 2004-2005 based on the rates included in this proposed ordinance and the FY 2003-2004 budgeted number of employees, net of the $3,520,158 subsidy from the Health Service System fund balance that will offset the cost to the General Fund. The FY 2004-2005 total General Fund cost for Health Service System benefits would therefore be an estimated $182,780,000 or approximately 13.9 percent more than the FY 2003-2004 General Fund cost of $160,500,000. Attachment II is a summary of the projected General Fund costs and savings, based on information provided by the Controller's Office.

Recommendation:

Approve the proposed ordinance.

Proposed FY 2004-2005 Health Plan Premiums

	Proposed FY 2004-2005	FY 2003-2004	Dollar Change	Percent Change
City Health Plan				
Employee Only	$ 432.55	$ 419.38	$ 13.17	3.1%
Employee with 1 dependent	832.47	828.70	3.77	0.5%
Employee with 2 or more dependents	1,158.51	1,165.01	-6.50	-0.6%
Retiree without Medicare	818.37	810.39	7.98	1.0%
Retiree with 1 spouse without Medicare	1,218.30	1,218.71	-0.41	0.0%
Retiree with Medicare	328.22	296.36	31.86	10.8%
Retiree with 1 spouse with Medicare	632.91	582.67	50.24	8.6%
Blue Shield				
Employee Only	$ 288.96	$ 275.32	$ 13.64	5.0%
Employee with 1 dependent	570.19	546.16	24.03	4.4%
Employee with 2 or more dependents	803.10	770.48	32.62	4.2%
Retiree without Medicare	597.14	614.84	-17.70	-2.9%
Retiree with 1 spouse without Medicare	878.37	885.68	-7.31	-0.8%
Retiree with Medicare	412.11	417.32	-5.21	-1.2%
Retiree with 1 spouse with Medicare	824.62	839.65	-15.03	-1.8%
Health Net				
Employee Only	$ 344.25	$ 305.71	$ 38.54	12.6%
Employee with 1 dependent	679.51	606.65	72.86	12.0%
Employee with 2 or more dependents	958.42	875.05	83.37	9.5%
Retiree without Medicare	760.12	673.71	86.41	12.8%
Retiree with 1 spouse without Medicare	1,095.38	974.65	120.73	12.4%
Retiree with Medicare	339.76	301.23	38.53	12.8%
Retiree with 1 spouse with Medicare	670.58	597.72	72.86	12.2%
Kaiser				
Employee Only	$ 292.10	$ 264.79	$ 27.31	10.3%
Employee with 1 dependent	576.30	525.00	51.30	9.8%
Employee with 2 or more dependents	812.18	741.01	71.17	9.6%
Retiree without Medicare	559.64	531.06	28.58	5.4%
Retiree with 1 spouse without Medicare	843.84	791.33	52.51	6.6%
Retiree with Medicare	321.59	253.95	67.64	26.6%
Retiree with 1 spouse with Medicare	634.58	503.48	131.10	26.0%

Based on information provided by Towers Perrin

Proposed FY 2004-2005 Dental Plan Monthly Premiums

	Proposed FY 2004-2005	FY 2003-2004	Dollar Change	Percent Change
Delta Dental				
Employee Only	58.83	57.53	1.30	2.3%
Employee with 1 dependent	96.70	94.52	2.18	2.3%
Employee with 2 or more dependents	145.41	142.11	3.30	2.3%
Retiree only	33.91	33.76	0.15	0.4%
Retiree with 1 dependent	67.88	67.60	0.28	0.4%
Retiree with 2 or more dependents	102.54	102.11	0.43	0.4%
PMI				
Employee Only	23.50	22.17	1.33	6.0%
Employee with 1 dependent	38.77	36.58	2.19	6.0%
Employee with 2 or more dependents	57.34	54.09	3.25	6.0%
Retiree only	28.65	28.09	0.56	2.0%
Retiree with 1 dependent	47.28	46.35	0.93	2.0%
Retiree with 2 or more dependents	69.92	68.55	1.37	2.0%
Pacific Union				
Employee Only	27.25	27.25	0.00	0.0%
Employee with 1 dependent	45.00	45.00	0.00	0.0%
Employee with 2 or more dependents	66.53	66.53	0.00	0.0%
Retiree only	16.15	16.15	0.00	0.0%
Retiree with 1 dependent	26.67	26.67	0.00	0.0%
Retiree with 2 or more dependents	39.43	39.43	0.00	0.0%

According to Towers Perrin actuarial report, the FY 2004-2005 City contribution per employee per month will be $100.50 per employe, an increase of $9.66 over the $90.84 contributed in 2003-2004.

Based on information provided by Towers Perrin

HEALTH AND DENTAL PLAN OPTIONS
FY 2004-2005

Net Increase in Health Service System General Fund Costs FY 2004-2005	Projected GF Costs - estimated
Charter contribution per employee – 10 County Survey	$6,000,000
Charter Required Retiree premium subsidy cost increase	11,000,000
Dependent health care premiums- MOU Provision	2,500,000
"Medically single" premium subsidy – MOU Provision	680,000
Dental coverage	2,100,000
Total	**$22,280,000**

Health Service Board Actions as of February 26, 2004	Projected GF Savings
Use of medical fund surplus to reduce City Health Plans	($2,522,907)
Use of medical fund surplus to reduce HMO rates	(997,251)
Total	**($3,520,158)**

Based on information provided by the Controller's Office

Item 2 – File 04-0002

Note: This item was continued by the Finance and Audits Committee at its meeting of March 10, 2004.

Department: Superior Court

Item: Ordinance appropriating $1,782,000 from the Courthouse Construction Fund to fund court facility interior renovations.

Amount: $1,782,000

Source of Funds: Courthouse Construction Fund (see Comment No. 1)

Description: The Hall of Justice, which is located at 850 Bryant Street between 6th and 7th Streets, currently houses the Superior Court's Traffic Division and 22 courtrooms. The Superior Court's Traffic Division administers the adjudication of traffic citations including the processing of traffic citations and fine payments, referrals to public traffic school, and initiating or removing drivers license suspensions, according to Mr. Neal Taniguchi of the Superior Court. Mr. Taniguchi states that the Traffic Division uses two of the 22 courtrooms in the Hall of Justice as traffic hearing rooms (Traffic Hearing Room A and Traffic Hearing Room B), to hear traffic citation protests. The remaining 20 courtrooms in the Hall of Justice are trial courtrooms. Mr. Taniguchi reports that the Traffic Division is located in approximately 8,200 square feet of space on the 1st floor of the Hall of Justice, and that the two traffic hearing rooms are located in approximately 2,900 square feet of space on the 2nd floor of the Hall of Justice (an average of 1,450 square feet per hearing room).

Further, Mr. Taniguchi reports that the Superior Court is leasing approximately 6,050 square feet of space which is used for three auxiliary courtrooms at 575 Polk Street, in a building the Superior Court has been leasing since July of 1991 (see Comment No. 3). According to Mr. Taniguchi, the Superior Court plans to relocate the Superior Court's Traffic Division, which, as noted above, has 8,200 square feet of space, and its two traffic court hearing rooms, which as noted above, has 2,900 square feet, or a total of 11,100 square feet, from the Hall of Justice to the approximately

6,050 square feet of leased space at 575 Polk Street (see Comment No. 4).

According to Mr. Taniguchi, the Superior Court is authorized to use the Courthouse Construction Fund to pay for (a) the annual debt service on the Civic Center Courthouse, which became operational in December of 1997 and is located at the corner of McAllister and Polk Streets, (b) the annual cost of the leased facility at 575 Polk Street, (c) property insurance costs, (d) capital improvements to courthouse facilities, and (e) bond trustee finance costs.

According to Mr. Taniguchi, the Superior Court intends to expend the requested $1,782,000 in Courthouse Construction fund monies to pay for the following three renovation projects:

1) $612,000 to renovate leased space at 575 Polk Street – 6,050 square feet of leased space, which is currently being used as three auxiliary trial courtrooms, would be converted from (a) two auxiliary trial court rooms, totaling approximately 4,033 square feet, to two traffic court hearing rooms (an average of 2,017 square feet per hearing room) and from (b) one auxiliary trial court room, totaling approximately 2,017 square feet, to office and public counter space, to accommodate the relocation of the Superior Court's Traffic Division. Attachment I is a memorandum from Mr. Taniguchi explaining how the Traffic Division, which now occupies 8,200 square feet in the Hall of Justice can be accommodated by 2,017 square feet at the leased Polk Street site. According to Mr. Taniguchi, the Superior Court anticipates that construction work for this project would begin in the Fall of 2004 and be completed by the Fall of 2005.

2) $670,000 to renovate City-owned space at the Hall of Justice - 2,900 square feet of space on the 2nd floor of the Hall of Justice would be converted from two traffic hearing rooms, containing an average square feet of 1,450 each (Traffic Hearing Room A and Traffic Hearing Room B), to one new 2,900 square foot trial courtroom, which would be used to accommodate

criminal trials. As previously noted, the Superior Court currently has 22 courtrooms at the Hall of Justice consisting of 20 trial courtrooms and two traffic hearing rooms. The subject renovation would result in a total of 21 trial courtrooms at the Hall of Justice. According to Mr. Taniguchi, the Superior Court anticipates that the construction work for this project would begin in the Fall of 2005 and be completed by the Spring of 2006.

3) $500,000 for Hall of Justice Courtrooms – All 20 trial courtrooms at the Hall of Justice, totaling approximately 60,000 square feet, or an average of 3,000 square feet per trial courtroom, would be renovated. Such renovations would include the refurbishing of jury boxes, witness stands, benches, and audience seating. According to Mr. Taniguchi, the Superior Court anticipates that the construction work for these renovations would begin in the Fall of 2004 and be completed by the Spring of 2006.

Budget:

Attachment II provided by Mr. Taniguchi is a budget for the $1,782,000 requested supplemental appropriation including City project staff hours and hourly rates. According to Mr. Taniguchi, all of the renovation work, except for the design and engineering work and project management to be performed by the Department of Public Works, will be awarded on a competitive bid basis (see Comment No. 5).

Comments:

1. The Courthouse Construction Fund was established for the purpose of receiving revenues from surcharges on civil and probate filing fees, and parking citations as follows: (1) limited jurisdiction cases, which are lawsuits under $25,000 - $10.00; (2) unlimited jurisdiction cases, which are lawsuits over $25,000 - $50.00; and (3) parking citations - $1.00. According to Mr. Taniguchi, as of February 4, 2004, the unappropriated balance in the Courthouse Construction Fund was $5,425,954. Approval of this subject request of $1,782,000 would result in an unappropriated fund balance of $3,643,954.

2. Mr. Taniguchi states that the Superior Court currently has 59 trial courtrooms comprised of 20 trial courtrooms at the Hall of Justice, 36 trial courtrooms at the Civic Center

Courthouse, and 3 auxiliary trial courtrooms at 575 Polk Street. After completion of the subject interior facilities renovation projects, Mr. Taniguchi reports that the Superior Court will have 57 trial courtrooms comprised of 21 trial courtrooms at the Hall of Justice and 36 trial courtrooms at the Civic Center Courthouse.

3. According to Mr. Taniguchi, the Superior Court is currently leasing a total of approximately 8,870 square feet of space, at approximately $2.15 per square foot per month, at 575 Polk Street, for a total rental cost per month of $19,101 ($229,212 annually), of which approximately 6,050 square feet of space, as noted above, is used for three auxiliary trial courtrooms. The remaining 2,820 square feet is used as office space, jury deliberation room space, and juror and witness waiting room space. According to Mr. Taniguchi, one of the auxiliary trial courtrooms, totaling approximately 2,017 square feet, is currently being used as a temporary juvenile traffic hearing courtroom and two of the three auxiliary trial courtrooms, totaling approximately 4,033 square feet, is currently being used for overflow trial courtroom space, which is used when there are more trials than courtrooms available at the Civic Center Courthouse. According to Mr. Taniguchi, the Superior Court anticipates that the temporary juvenile traffic hearing room will be moved to Juvenile Hall prior to the commencement of the proposed subject renovation work at 575 Polk Street, and the two overflow trial courtrooms will be eliminated as a result of the proposed renovation project.

4. According to Mr. Taniguchi, the Superior Court plans to relocate the Traffic Division, including its administrative space and its two traffic hearing rooms, from the Hall of Justice to the leased facility at 575 Polk in order for the Hall of Justice facility to accommodate more criminal trials, by constructing one additional trial courtroom at the Hall of Justice. As stated on page 2 of Attachment III provided by Mr. Taniguchi, "The Court's recently adopted facilities master plan identified an existing and long-term shortage of criminal trial courtrooms in the Hall of Justice. Because of this shortage, criminal cases are often transferred from the Hall of Justice to the Civic Center Courthouse for trial, which causes delay, inefficiency, and

increased costs for both the City and the Superior Court. The Superior Court is therefore adding one new large trial courtroom to the Hall of Justice through the Hall of Justice renovation project to address the shortage problem."

5. Mr. Taniguchi advises that, because 575 Polk Street is not a City-owned building, the normal City process for competitively selecting a contractor for the 575 Polk Street project does not apply, and the landlord is responsible for selecting the contractor. However, Mr. Taniguchi advises that the landlord is likely to use a competitive bidding process in selecting the contractor for renovations made at 575 Polk Street.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Superior Court of California
County of San Francisco

GORDON PARK-LI
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI
CHIEF FISCAL OFFICER

February 24, 2004

TO: Harvey Rose, Budget Analyst

FROM: Neal Taniguchi, Superior Court

RE: Courthouse Construction Fund Appropriation request
Relocation of Traffic Division to 575 Polk Street

You requested the Court to explain why it plans to move its Traffic Division from Room 101, at the Hall of Justice, which consists of approximately 8,200 square feet, to a smaller space at 575 Polk Street.

The Superior Court's Traffic Division, which processes and adjudicates traffic citations, and other non-serious infractions, consists of 38.5 FTE positions, and currently shares Room 101, at the Hall of Justice with the Criminal Division, Clerk's Office (about 42 FTE). Because the Traffic Division currently shares Room 101 with the Criminal Division, the square footage, on a per FTE basis, is roughly the same as what the Traffic Division will occupy, once 575 Polk Street is renovated.

The Court is simply attempting to more efficiently use its existing office space to accommodate the need for additional criminal courtrooms.

If you should have any further questions, please do not hesitate to contact me.

cc.: Gordon Park-Li

400 McAllister Street - Room 205
San Francisco, CA 94102-4514
ntaniguchi@sftc.org

	Courtrooms A & B Conversion	575 Polk St Remodel	Hall of Justice Courtroom renovations		Comments
Project Control costs (DPW staff)					
Design and Engineering	$ 90,000	$ 98,000	$ 65,500		BOA staff work
Project Management	$ 30,000	$ 28,000	$ 3,500		BOA/ Bureau of Construction Management
Total DPW Staff Costs	$ 120,000	$ 126,000	$ 69,000	*	Total all DPW costs; includes planning and permits
Construction Costs					
Demolition and Construction	$ 410,000	$ 340,000	$ 349,000	**	Construction Contracts to be competitively bid**
Furnitures/Fixtures/Equipment	$ 80,000	$ 86,000	$ -	**	Furniture contracts to be competitively bid**
Contingency	$ 60,000	$ 60,000	$ 82,000		Contingency is roughly 10-12% of project costs
Subtotal	$ 550,000	$ 486,000	$ 431,000		
Subtotal	$ 670,000	$ 612,000	$ 500,000	**	
TOTAL			$ 1,782,000		

* Rounded to the nearest one thousandth.

** The total budget estimate for the Hall of Justice courtroom renovations is $870,750, of which $500,000 would be funded by this supplemental. The Court will either reduce the project costs by $370,750 ($870,750 less $500,000) by prioritizing courtroom work (thereby reducing construction and furniture costs), or the Court will absorb the additional $370,750 cost in its State funded operating budget, if State budget conditions permit.

Staffing:	Courtrooms A & B Hours	Hourly Rate	TOTAL	575 Polk St Hours	Hourly Rate	TOTAL	Hall of Justice Hours	Hourly Rate	TOTAL
Bureau Manager	18	$ 162	$ 2,916	22	$ 162	$ 3,564	22	$ 162	$ 3,564
Senior Architect	48	$ 142	$ 6,816	49	$ 142	$ 6,958	43	$ 142	$ 6,106
Architect/Engineer	333	$ 123	$ 40,959	374	$ 123	$ 46,002	183	$ 123	$ 22,509
Associate	373	$ 91	$ 33,943	373	$ 91	$ 33,943	220	$ 91	$ 20,020
A/E Assistant	361	$ 72	$ 25,992	361	$ 72	$ 25,992	142	$ 72	$ 10,224
Chief Clerk	40	$ 80	$ 3,200	40	$ 80	$ 3,200	36	$ 80	$ 2,880
Contingency			$ 6,289			$ 6,603			$ 3,663
TOTAL	1173		$ 120,115	1,219		$ 126,262	646		$ 68,966

Superior Court of California
County of San Francisco

GORDON PARK-LI
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI
CHIEF FISCAL OFFICER

January 21, 2004

TO: Leanne Nhan, Analyst
Budget Analyst's Office, Board of Supervisors

FROM: Neal Taniguchi

RE. Item 04-0002, Supplemental Appropriation in the amount of $1,782,000, from the Courthouse Construction Fund

cc.: Presiding Judge Donna Hitchens
Gordon Park-Li, Chief Executive Officer

In response to your information request regarding the proposed supplemental appropriation request from the Courthouse Construction Fund, you will find attached to this memo, all supporting documentation on the proposed projects.

Background

The Courthouse Construction Fund is a special fund created pursuant to State law. The Fund may only be used for the acquisition, rehabilitation,, construction, and financing of courtrooms and court facilities (GC Section 76100). Revenues appropriated to the Fund are derived from surcharges on civil filing fees and a surcharge on parking citations. In the past, the Fund was used to finance the construction of the Civic Center Courthouse, which opened to the public in December 1997.

The current operating surplus, as of February 4, 2003, was $5,425,954. This proposed ordinance would appropriate $1,782,000 from that surplus.

400 McAllister Street - Room 205
San Francisco, CA 94102-4514
ntaniguchi@sftc.org

Budget

The proposed uses of the fund are as follows:

		Estimated Project Cost
1.	**Interior Renovations – Hall of Justice, Traffic Hearing Rooms A&B.** Both hearing rooms would be combined into one trial courtroom to accommodate additional criminal trials. This project would be implemented in conjunction with the relocation of the Court's Traffic Division to its leased 575 Polk Street facilities (see below). The Court's recently adopted facilities master plan identified an existing and long-term shortage of criminal trial courtrooms in the Hall of Justice. Because of this shortage, criminal cases are often transferred from the Hall of Justice to the Civic Center Courthouse for trial, which causes delay, inefficiency, and increased costs for both the City and County and the Superior Court. The Superior Court is therefore adding one new large trial courtroom to the Hall of Justice through the Hall of Justice renovation project to address the shortage problem.	$670,000
2.	**Interior Renovations – Hall of Justice, various courtrooms.** Jury boxes, witness stands, benches, and audience seating have not been refurbished in years, or in some cases, since the opening of the building . This proposed project would make improvements to the most dilapidated courtrooms.	500,000
3.	**Interior Remodel – 575 Polk Street, leased facility.** The Polk Street facility would be remodeled to accommodate the Traffic Division, which would be relocated from the Hall of Justice to provide space for additional trial court proceedings.	612,000
	TOTAL proposed expenditures	$1,782,000

Items 3 and 4 – Files 04-0094 and 04-0095

Note: The PUC advises that an Amendment of the Whole to File No. 04-0094 will be introduced at the Finance and Audits Committee meeting on March 24, 2004 that corrects the funding source inaccuracies contained in the original legislation. This report is based on the forthcoming Amendment of the Whole.

Departments: Public Utilities Commission (PUC)
Planning Department
Department of Human Resources (DHR)
Human Rights Commission (HRC)
Department of Public Works (DPW)
Airport

Items: File No. 04-0094: Ordinance appropriating $16,719,301 as follows: (a) $8,400,000 for a capital improvement project to construct the Intertie Project (see below) between the East Bay Municipal Utility District and San Francisco's water supply system, (b) $4,677,000 for a Programmatic Environmental Impact Report (PEIR) to be prepared by an outside consultant, and related inhouse PUC staff assistance to facilitate the PEIR and other program planning efforts required for the Water System Capital Improvement Program (Water System CIP), and (c) $3,642,301 for office space, staff and services of other departments for continued implementation of the Water System Capital Improvement Program.

File No. 04-0095: Ordinance amending the FY 2003-2004 Annual Salary Ordinance to create 15 new positions (3.75 FTEs) from April 1, 2004 through June 30, 2004, the last three months of FY 2003-2004.

Amount: $16,719,301

Source of Funds:
Table 1: Funding Sources for Subject Supplemental Appropriation

Funding Sources	Intertie Project	PEIR	Additional Office Space, Staff and Services of Other Departments	Budget
Proposition A 2003 Water System Capital Improvement Program Bond Funds	$8,400,000			$8,400,00
Reappropriation of Proposition A Bond Funds previously approved by the Board of Supervisors		$4,677,000		4,677,00
Overhead charges to existing Water System Capital Improvement Project appropriations			$3,642,301	3,642,30
Total	**$8,400,000**	**$4,677,000**	**$3,642,301**	**$16,719,30**

Background:

File No. 04-0094: On May 28, 2002, the Public Utilities Commission approved the PUC's $3.6 billion Capital Improvement Program (CIP) for water system capital improvement projects (Water System CIP). The proposed ordinances are to fund the cost of a regional project, new staff, office space, contract services, and other costs associated with the Water System CIP. According to Ms. Jean Mariani of the PUC, a separate effort is underway to develop a similar program for the Clean Water Program.

According to Mr. Harlan Kelly, Jr. of the PUC, the $3.6 billion Water System CIP includes 77 water infrastructure projects designed to repair, replace and seismically upgrade the local and regional water system's pipelines, tunnels, reservoirs and dams, to be completed over 13 years. The Water System CIP began in FY 2002-2003 and will continue through FY 2014-2015 according to the present schedule. Mr. Kelly states that projects are chosen and prioritized based on the need to reduce risk and improve reliability of the regional and local water systems. Mr. Kelly further states that the Water System CIP is divided into two major improvement programs: the 37 Regional Water System Projects, and the 40 Local Water System Projects.

On November 5, 2002, San Francisco voters approved Proposition A, a $1.6 billion bond measure to fund a portion of the $3.6 billion Water System CIP, submitted to the ballot by the Board of Supervisors. Senate Bill 1870, created a Regional Financing Authority (RFA). The RFA, comprised of all the regional water system wholesale customers and the City and County of San Francisco, may issue revenue bonds to fund the 37 Regional Water System Projects or may use some other means of financing such projects, as described in Attachment I (page 1 of 9) provided by Mr. Kelly.

Description:

The proposed supplemental appropriation request (File No. 04-0094) would fund (1) the Intertie Project, (2) the Programmatic Environmental Impact Report (PEIR), (3) additional office space for Water System CIP staff, (4) additional staff positions for the Water System CIP, and (5) services of the Department of Human Resources (DHR), the Human Rights Commission (HRC), the Department of Public Works (DPW), and the Airport. The proposed amendment to the Annual Salary Ordinance (File No. 04-0095) would create a total of 15 new positions to be funded by the proposed supplemental appropriation request.

Intertie Project:

The PUC amended the original Water System CIP on August 21, 2003, to add a 38th Regional Water System Project, the Intertie Project between the East Bay Municipal Utility District (EBMUD) and San Francisco's water supply system.

According to Mr. Michael Carlin of the PUC, the Intertie Project will provide a connection for the controlled flow of water between the East Bay Municipal Utility District (EBMUD) and San Francisco's water supply system so that 45 million gallons of water per day could be transferred from one system to the other. Mr. Carlin states that this Intertie Project is necessary in the event of (1) a major facility failure due to earthquakes or other disasters, and (2) during planned pipeline shutdowns for inspection and repair. Mr. Carlin advises that the Intertie Project will consist of the construction of a new Pump Station at the Hayward Airport, 8,000 linear feet of 36-inch diameter pipeline, modifications to the existing City

of Hayward pipelines and Hesperian Pump Station, and improvements at the PUC facilities at Newark Turnout, near the City of Newark, Alameda County.

Programmatic Environmental Impact Report (PEIR):

According to Ms. Kathy How of the PUC, in mid 2003, the PUC, in consultation with the City Attorney's Office and the Planning Department, determined that the 37 Regional Projects of the Water System CIP needed an overall Programmatic Environmental Impact Report (PEIR), in addition to the individual Environmental Impact Reports (EIRs), negative declarations, or categorical exemptions required for each individual project. Ms. How states that the PEIR must be completed before project-specific environmental documents for each of the 37 Regional Projects can be completed and construction of the 37 Regional Projects can begin. The PEIR will take approximately 30 months, or 2½ years, to complete, according to Ms. How. Ms. How advises that a PEIR will address primarily the issues of growth and cumulative impacts associated with regional projects that would increase the potential reliability and capacity of the existing regional water system. Ms. How further advises that a PEIR is not required for the 40 Local Water System Projects because most of the Local Projects are repair and replacement of existing facilities and pipelines.

As stated in Attachment I, provided by Mr. Kelly:

> "In mid 2003, after consultation with the City Attorney's Office and the Planning Department, SFPUC determined it needed to prepare a Programmatic Environmental Impact Report (PEIR) for the 37 Regional Projects of the Water System CIP. This programmatic approach to the planning of the Regional Projects would have caused delays to the Water System CIP because the PEIR, which will take approximately 30 months to complete, must be completed before the 37 Regional Projects commence. (page 2 of 9).
>
> In order to prevent serious delays to the Water System CIP, the SFPUC reconfigured the Water System CIP, project schedule to: (1) ensure that the PEIR is

completed as early as possible; (2) include the Intertie Project to the Water System CIP, which is a Regional Project but does not require the completion of the PEIR to begin; and (3) advance in the schedule local projects, which also do not require the completion of the PEIR." (page 3 of 9)

Additional Office Space, Staff and Services of Other City Departments:

The justification for the additional office space is detailed in the Budget Analyst's March 24, 2004 report to the Finance and Audits Committee in Item No. 5 (File No. 04-0037).

The PUC staff and services of other City Departments for a cost of $1,478,564 requested in this supplemental appropriation request (File No. 04-0094) is detailed in Comments 23 through 41 of this report.

The proposed amendment to the FY 2003-2004 Annual Salary Ordinance (File No. 04-0095) would create 15 new positions (3.75 FTEs for the three month period from April 1, 2004 through June 30, 2004).

File 04-0095 would amend the FY 2003-2004 Annual Salary Ordinance to create the following new positions:

Table 2: Proposed New Positions

No. of Positions (FTE in FY 2003-2004)	Classification	Title	Step 1 (Biweekly-Annual)	Step 5 (Biweekly-Annual)	Annualized Cost* (Step 1- Step 5)
PEIR and Other Program Planning Efforts					
1 (0.25)	0941	Manager VI	$3,698 $96,518	$4,954 $129,299	
1 (0.25)	5293	Planner IV	$3,041 $79,370	$3,696 $96,466	
1 (0.25)	5298	Planner III Environmental Review	$2,564 $66,920	$3,117 $81,354	
1 (0.25)	5298	Planner III Environmental Review	$2,564 $66,920	$3,117 $81,354	
1 (0.25)	5299	Planner IV Environmental Review	$3,041 $79,370	$3,696 $96,466	
5 (1.25)		Subtotal	$14,908 $389,098	$18,580 $484,939	$463,027 -$577,077
PUC Water System CIP					
1 (0.25)	0941	Manager VI	$3,698 $96,518	$4,954 $129,299	
1 (0.25)	0942	Manager VII	$3,949 $103,069	$5,293 $138,147	
2 (0.50)		Subtotal	$7,647 $199,587	$10,247 $267,446	$237,509 - $318,261
Human Rights Commission					
1 (0.25)	0932	Manager IV	$3,194 $83,363	$4,280 $111,708	
1 (0.25)	2978	Contract Compliance Officer II	$3,138 $81,902	$3,815 $99,572	
1 (0.25)	2996	Human Rights Commission Representative	$2,215 $57,812	$2,693 $70,287	
3 (0.75)		Subtotal	$8,547 $223,077	$10,788 $281,567	$265,462 - $335,065
Department of Human Resources					
1 (0.25)	1201	Personnel Technician Trainee	$1,622 $42,334	$1,970 $51,417	
1 (0.25)	1203	Personnel Technician	$1,765 $46,067	$2,145 $55,985	
1 (0.25)	1241	Personnel Analyst	$1,784 $46,562	$2,625 $68,513	
1 (0.25)	1244	Senior Personnel Analyst	$2,527 $65,955	$3,072 $80,179	
1 (0.25)	1244	Senior Personnel Analyst	$2,527 $65,955	$3,072 $80,179	
5 (1.25)		Subtotal	$10,225 $266,873	$12,884 $336,273	$317,579 -$400,165
15 (3.75)		Total	$1,078,635	$1,370,225	$1,283,576 - $1,630,568

**Based on 26.1 pay periods for FY 2004-2005 and including mandatory fringe benefits calculated at 19 percent.*

As shown in Table 2 above, the annual cost of the requested 15 positions would range from $1,283,576 at Step 1, including salaries of $1,078,635 and fringe benefits of $204,941, to $1,630,568 at Step 5, including salaries of $1,370,225 and fringe benefits of $260,343.

Budget:

Table 3: Funding Uses of Supplemental Appropriation Proposed Expenditures

Funding Uses:	Amount
Intertie Project	
Consultants	
Feasibility Report (Carollo Engineers)	$9,000
Initial Environmental Study (ESA)	12,500
Design (Carollo Engineers)	632,000
Less: Previous Appropriated Funds for the Intertie Project	(653,500)
Construction Contractor (not yet selected)	7,790,000
City Staff	
Construction Management (PUC existing positions)	610,000
Total Intertie Project:	$8,400,000
Programmatic Environmental Impact Report (PEIR)	
Consultants	
PEIR Consultant (ESA + Orion, Joint Venture)	$2,500,000
Contract Consultant Planning Services	655,005
City Staff	
PUC and Planning Staff (includes funding for 10 existing positions and 5 new positions, 1.25 FTE for FY 2003-2004)	1,521,995
Total PEIR:	$4,677,000
Additional Office Space, Staff, and Services of Other City Departments	
Rent of 30,790 square feet at 1145 Market Street for 3.6 months	$231,244
Remodeling and Cubicles	724,528
Furniture	426,162
Network Equipment	141,002
Computers	235,200
DTIS Telephone and Computer Network Work Order for 1145 Market Street	306,372
Other Office Supplies	24,000
Other Materials and Supplies	25,229
Space Planning (DPW)	50,000
	$2,163,737
PUC Positions (includes 2 new positions, 0.5 FTE for FY 2003-2004)	$81,582
DHR Work Order (includes 5 new positions, 1.25 FTE for FY 2003-2004)	484,713
HRC Work Order (includes 3 new positions, 0.75 FTE for FY 2003-2004)	263,000
Airport Work Order	125,186
DPW Work Order – General Administration	524,083
	$1,478,564
Total Additional Office Space, Staff, and Services of Other City Departments:	$3,642,301
Total (includes 15 new positions representing 3.75 FTEs for FY 2003-2004):	**$16,719,301**

Comments:

1. The proposed supplemental appropriation request (File No. 04-0094) contained the following inaccuracies:

- It incorrectly described the funding sources.
- Did not identify a funding source in all cases.
- The PEIR was called the "Program Environmental Impact Report Improvements," instead of the Programmatic Environmental Impact Report" and the East Bay Municipal Utility District (EBMUD) was called the East Bay Municipal Utilities District.
- The Intertie Project was described as between EBMUD and San Francisco's waste system, instead of San Francisco's water system.

Based on the Budget Analyst's identification of these inaccuracies, the Controller's Office prepared an Amendment of the Whole to correct the funding sources.

Ms. Jean Mariani of the PUC advises that the PUC will recommend additional minor amendments in order to correct typographic errors at the March 24, 2004 Finance and Audits Committee meeting.

Funding Sources:

2. According to Mr. Kelly, $4,677,000 of Proposition A Bond Funds[1] which were previously appropriated by the Board of Supervisors for specific projects for the Water System CIP, would be reappropriated for the PEIR and PUC and Planning Department staff to work on the PEIR and other program planning efforts, described below. Attachment I to this report lists these projects for which the $4,677,000 were previously appropriated, and describes the status of those projects (page 4 of 9).

3. According to Mr. Kelly, $3,642,301 of PUC operating budget recoveries from overhead charges to Water System CIP projects would be used to fund additional office space, staff and services of other City departments. In Attachment I, Mr. Kelly states:

[1] According to Ms. Mariani, no Proposition A Bonds have been issued to date. The PUC is funding capital improvement projects on a short term basis using commercial paper proceeds as previously authorized by the Board of Supervisors. Ms. Mariani advises that, ultimately, the long term funding for these projects will be Proposition A Bond Funds because the commercial paper indebtedness will be refunded with Proposition A Bond Funds.

"Overhead to PUC capital projects is comprised of those expenses that cannot be directly allocated to a specific capital project but that are appropriate costs associated with the overall management and support of SFPUC capital projects within the Infrastructure Division. These costs are estimated each year in the SFPUC budget and then adjusted based on actual spending each quarter."

Intertie Project:

4. Attachment I to this report, describes the PUC's April 21, 2003 Memorandum of Understanding (MOU) with EBMUD and the City of Hayward, which established that the PUC and EBMUD would each pay for 50 percent of the costs of the Intertie Project, which has a total cost of $18,107,000 (pages 4-6 of 9). The PUC's cost is therefore $9,053,500, of which $8,400,000 would be funded by the proposed supplemental appropriation. The balance of the PUC's cost of $653,500 was previously funded in the FY 2003-2004 budget. Mr. Carlin states that the City of Hayward is serving as the lead agency for the Intertie Project and is contributing the right-of-way use of the City of Hayward's existing water pipelines and engineering support. Mr. Carlin further advises that as lead agency, the City of Hayward is responsible for the selection process, contract award and contract administration for all consultants and construction contractors used on the Intertie Project. Mr. Carlin advises that the PUC does not maintain detailed records of the City of Hayward's selection process and contract awards for the Intertie Project because the City of Hayward is the lead agency.

Mr. Donn Furman of the City Attorney's Office states that he has approved as to form the MOU between the City, EBMUC, and the City of Hayward. Mr. Furman states that the MOU designates Hayward as the lead agency for purposed of this joint power agreement, and that the agreement adequately protects the City. According to Mr. Furman, the MOU is not subject to Board of Supervisors approval.

The Budget Analyst recommends approval of the Intertie Project.

5. Mr. Carlin states that the construction contractor will be selected through a competitive bid process, administered by the City of Hayward. Mr. Carlin states that the City of Hayward will issue the request for bids in May of 2004 and construction is anticipated to begin in June of 2004. Mr. Carlin advises that the City of Hayward will award this contract to the lowest responsive bidder. Mr. Carlin advises that because the City of Hayward is responsible for selection process, contract award and contract administration for this contract, this contract will be subject to the federal, state, and City of Hayward rules which govern contracts but will not be subject to the City and County of San Francisco's rules and regulations.

6. In Attachment I, the PUC has included a detailed accounting of the $610,000 of PUC Construction Management costs including hours and hourly rates, which will be performed by existing staff at the PUC (page 6 of 9). Mr. Carlin advises that the PUC's construction management work would begin when actual construction begins.

Programmatic Environmental Impact Report (PEIR):

7. Attachment I explains that "the inclusion of the PEIR is not only necessary but will provide an overview of future projects, address system-wide objectives, and streamline future CEQA [California Environmental Quality Act] review of projects."

8. As shown in Table 3 above, the PUC is requesting $4,677,000 for the Regional Water System Projects PEIR: (a) $2,500,000 for a PEIR consultant, ESA + Orion Joint Venture, (b) a $655,005 consultant contract (contract to be furnished through the Program Management Contract (PMC) Services portion of the existing Water Infrastructure Partners (WIP) contract, as explained in Comment No. 11) for planning services, and (c) planning, environmental review and scheduling, and program control work performed by the PUC and the Planning Department, in the amount of $1,521,995. According to Ms. How, the requested $4,677,000 does not represent the anticipated total cost of the PEIR, which has not yet been fully determined. However, additional costs for the project

would be subject to future Board of Supervisors appropriation approval.

PEIR Consultant Contracts:

9. As stated in Attachment I to this report, the PUC issued a Request for Proposal (RFP) on October 9, 2003 for a consultant to complete the PEIR. Ms. How advises that this RFP was advertised on the City website for contracts and two firms responded. As described in Attachment I:

> "The selection was based on review of written proposals, and oral presentations and responses to questions prepared by SFPUC staff. The selection panelists included one representative each from BAWSCA [Bay Area Water Supply and Conservation Agency] and the Santa Clara Valley Water District and three representatives from within the City. Weight (in scoring) was not given to the cost proposal. The selection panel did not see cost proposals (in sealed envelopes until after selection of consultant). The consultant selected for negotiations of a contract with the SFPUC is ESA + Orion Environmental Associates, Joint Venture." (page 8 of 9)

According to Ms. How, cost was not a factor in the selection of ESA + Orion, Joint Venture, because cost is not a rating factor for selection of professional service contracts, such as architecture and engineering services.

10. As of the writing of this report, the PUC could not provide a detailed scope of work and budget, including hours and hourly rates, for the proposed contract estimated to cost $2,500,000 with ESA + Orion, Joint Venture. However, Ms. How states that, "while the hours for the ESA + Orion, Joint Venture have not been estimated by task, the consultant contract is expected to be for a duration of 30 months and is expected not to exceed $2.5 million. Certification of the contract and notice-to-proceed is anticipated to be in March of 2004, after approval of this supplemental appropriation request." In the professional judgement of the Budget Analyst, the information the PUC provided, combined with the importance of the timely completion of the PEIR

for the 37 Regional Projects, is sufficient justification for the Board of Supervisors to appropriate $2,500,000 for the contract with ESA + Orion, Joint Venture to prepare the PEIR. The Budget Analyst recommends approval of $2,500,000 for this purpose.

11. As shown in Table 3 above, the PUC is requesting $655,005 for a contractor to prepare engineering alternatives necessary for the PEIR. Attachment I includes a budget for this $655,005, which includes hours and hourly rates (page 7 of 9). According to Ms. How, the consultant services required to prepare such engineering alternatives will be furnished through the contract with Water Infrastructure Partners (WIP) which includes the provision of Project Management Contract (PMC) Services which are funded through various capital improvement project appropriations. Ms. How advises that this $655,005 contract is within the existing PMC Services contract authority for WIP as approved by the Board of Supervisors on March 16, 2004 (File No. 03-1975). Ms. How confirms that the preparation of engineering alternatives for the PEIR, services to be provided by WIP, will be completed by December 21, 2004 when the WIP contract is scheduled to expire. The Budget Analyst recommends approval of the $655,005 contract to prepare engineering alternatives for the PEIR.

Existing City Staff to Support the PEIR and Other Program Planning:

12. As shown in Table 3 above, the PUC is requesting $1,521,995 for planning, environmental review, and scheduling and program control work performed by the PUC and the Planning Department for the PEIR and other program planning efforts to facilitate implementation of the CIP in FY 2003-2004. Included in this $1,521,995, is $1,374,505 in funding for 10 existing PUC staff positions, whose salaries and benefits will be charged to the PEIR.

13. According to Ms. How, these 10 existing PUC staff positions were authorized and funded in the FY 2003-2004 budget, but the reappropriation of the funds for these positions is required because these positions were authorized for the Regional Projects portion of the Water

System CIP, which is on hold, pending the completion of the PEIR. Ms. How states that the Controller has advised the PUC that the PUC cannot transfer salary funds between Water System CIP projects, without first obtaining approval from the Board of Supervisors. According to Ms. Monique Zmuda of the Controller's Office:

> "While Administrative Code Section 3.18 allows for surplus transfers under certain circumstance and requires the reporting of transfers over 10 percent, the Controller's Office does not approve surplus transfers where there appears to be a policy interest on the part of the Board of Supervisors. For example, we would not approve a surplus transfer to create a new project or substantially change the characteristics of an existing project. Since the PUC's CIP program has been the topic of considerable discussion at the Board of Supervisors, we conclude they have a policy interest in this project and would not approve surplus transfers in these projects unless they were clearly administrative in nature."

The proposed supplemental appropriation request would therefore reassign existing positions to the PEIR Project.

14. Attachment I shows details of the $1,521,995 for the position classifications, hours worked, and rates for the planning, environmental review, and scheduling and program control work by the PUC for the PEIR and other program planning efforts (page 7 of 9). Ms. How states that:

> "PUC staff time under this request is to prepare the Request for Proposal for the PEIR; work on consultant selection and negotiations; develop program alternatives, or project bundles, for the PEIR; develop the strategy document for the program (and projects in the Regional Water System); update and monitor both the overall program schedule as well as the regional project schedules; and [would be responsible for] communicating with BAWSCA and other agencies regarding progress on the tasks."

15. Based on the scope of work described above which includes preparing the RFP for the PEIR and work on consultant selection and negotiations, a portion of the existing PUC's staff time, at a cost of $1,374,505, has already been expended to date for the PEIR project. Ms. How states that approximately $400,000 of the requested $1,374,505 has been expended since July 1, 2003. Therefore, the Budget Analyst recommends that the proposed ordinance be amended for retroactivity.

Request for New Positions to Support the PEIR and Other Program Planning Efforts:

16. In addition to the planning, environmental review, and scheduling and program control work performed by existing PUC staff at a cost of $1,374,505, the PUC is requesting $147,490 for five new positions for three months of FY 2003-2004 for the PEIR and other program planning efforts to facilitate implementation of the Water System CIP. The proposed new positions are not limited to the 30 month period required to complete the PEIR, but, according to Ms. How, will be required throughout the planning process of the Water System CIP which will take a minimum of 10 years. As shown in Table 2 above and explained in Attachments II and III, prepared by Ms. Elaine Lee and Mr. Robert Pritchard of DHR, these five new positions are:

- A classification 0941 Manager VI (Manager of Program Development Coordination) to "be responsible for managing and coordinating the operations of the San Francisco Regional Water System." This position would receive a salary ranging from $96,518 to $129,299 per year, plus mandatory fringe benefits.
- A classification 5293 Planner IV position, to "plan, administer, and direct the activities of a project group engaged in the environmental review and permitting process for the implementation of the San Francisco Public Utilities Commission's regional projects that are a part of the Capital Improvement Program." This position would receive a salary ranging from $79,370 to $96,466 per year, plus mandatory fringe benefits.
- A classification 5299 Planner IV Environmental Review position, to be in the PUC's budget but

assigned to the Planning Department, to "supervise office staff engaged in the preparation and review of Environmental Impact Reports and environmental evaluations on both the SFPUC Capital Improvement Program, and the specific projects that make up the Capital Improvement Program, to insure compliance with the California Environmental Quality Act, the San Francisco Administrative Code and other governmental regulations and guidelines." This position would receive a salary ranging from $79,370 to $96,466 per year, plus mandatory fringe benefits.

- Two classification 5298 Planner III positions, to be in the PUC's budget but assigned to the Planning Department, to "manage and coordinate all necessary activities required for the production and completion of the Environmental Impact Reports, Negative Declarations and Categorical Exemptions for specific projects within the CIP." These two positions each receive a salary ranging from $66,920 to $81,354 per year each, plus mandatory fringe benefits.

17. Based on inquires of the Budget Analyst, Ms. Mariani advises that the PUC is withdrawing its request for the 5293 Planner IV position. Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced by $28,699, the cost of this new position for three months (File No. 04-0094), and that this position be deleted from the proposed amendment to the FY 2003-2004 Annual Salary Ordinance (File No. 04-0095).

18. With regard to the 0941 Manager VI, Manager of Project Development Coordination position, the Budget Analyst has reviewed the PUC's existing budgeted positions and DHR's position analysis, and concludes that adding this 0941 Manager VI, Manager of Program Development Coordination is justified.

Ms. Mariani advises that the requisition for this 0941 Manager VI, Manager of Program Development Coordination is complete and the PUC will fill this position by approximately May 15, 2004 should this position be approved by the Board of Supervisors. However, the Budget Analyst notes that the proposed

supplemental appropriation requests salary and mandatory fringe benefits funds this position from April 1, 2004 through June 30, 2004. Therefore, the Budget Analyst recommends that the funding for the position be reduced from $38,466 to $19,233, or by $19,233[2], to reflect the PUC's anticipated hire date for this position.

19. As stated in Attachment II, the 5299 Planner IV Environmental Review position would "supervise office staff engaged in the preparation and review of Environmental Impact Reports and environmental evaluations to insure compliance with the California Environmental Quality Act, the San Francisco Administrative Code and other governmental regulations and guidelines." Mr. Carlin states that the 5299 Planner IV Environmental Review position would review the more complex Environmental Impact Reports prepared by consultants and insure compliance with the California Environmental Quality Act, the San Francisco Administrative Code and other governmental regulations and guidelines for the 77 local and regional CIP projects.

20. The Budget Analyst has reviewed the PUC's existing budgeted positions, DHR's position analysis, and the PUC's justification for the 5299 Planner IV Environmental Review position, and finds that adding this 5299 Planner IV Environmental Review position is justified.

Ms. How advises that the requisition for this 5299 Planner IV Environmental Review position is complete and the PUC will fill this position by approximately June 5, 2004 and assign this position to the Planning Department. However, the Budget Analyst notes that the proposed supplemental appropriation requests salary and mandatory fringe benefits funds for this position from April 1, 2004 to June 30, 2004. Therefore, the Budget Analyst recommends that the funding for the position be reduced from $28,697 to $9,566, or by $19,131, to reflect the PUC's anticipated hire date for this position.

[2] The requested 15 positions described in Table I were budgeted at Step 5 and included 19 percent for mandatory fringe benefits.

21. According to Mr. Carlin, and as described in Attachment IV:

> "In preliminary conversations with the City Planning Department, SFPUC understood that the City Planning Department had vacant positions that could be used to support the SFPUC environmental review requirements. Subsequent conversations revealed that City Planning did not have surplus vacant positions. Thus, the SFPUC is creating three [two Planner III and one Planner IV] positions in our budget and will detail the positions to the City Planning Department."

The Planning Department's FY 2003-2004 budget includes 11.0 FTE 5298 Planner III positions, of which, according to Mr. Costolino Hogan of the Planning Department, two have been vacant for over 18 months due to budgetary constraints.

Therefore, the Budget Analyst recommends funding the two existing 5298 Planner III positions at the Planning Department through a work order with the PUC as part of the FY 2004-2005 budget. Further, the Budget Analyst recommends that (1) File No. 04-0095 be amended to delete the creation of two new 5298 Planner III positions, and (2) File No. 04-0095 be reduced by the cost of these two 5298 Planner III positions for three months, or by $48,406.

Additional Office Space, Staff, and Services of Other City Departments:

22. The justification and $2,385,471 budget for additional office space is discussed in the Budget Analyst report on Item No. 5 (File No. 04-0037). Of this $2,385,471 budget, $2,163,737 is funded by the subject supplemental appropriation request, and $221,734 was previously funded in the FY 2003-2004 PUC budget. Based on the issues raised in that report, the Budget Analyst recommends that the Finance and Audits Committee:

- Reduce rental costs budgeted for 5 months from $231,244 to $128,292, or by $102,952 to reflect the correct estimated May 1, 2004 lease commencement date.

- Reduce furniture costs from $426,162 to $318,711, or by $107,451 to reflect a more reasonable estimate of such furniture costs.

Additional PUC Staff:

23. As shown in Table 2 above and described in Attachment III, the PUC is requesting the following additional two positions for the Water System CIP:

- A classification 0941 Manager VI, Director of Workforce Development, to be "responsible for planning, organizing, directing assisting in all aspects of internal and external workforce development." This position would receive a salary ranging from $96,518 to $129,299 per year, plus mandatory fringe benefits.
- A classification 0942 Manager VII, Manager of Program Development and Support Bureau, to be "responsible for providing the strategic vision, comprehensive planning efforts and technical support for the Infrastructure Division, oversees all program efforts, including development of program strategy and coordination for approval/adoption of the Program[matic] Environmental Impact Report ([P]EIR) and other project specific EIRs." This position would receive a salary ranging from $103,069 to $138,147 per year, plus mandatory fringe benefits.

24. Based on inquiries of the Budget Analyst, Ms. Mariani advises that the PUC is withdrawing its request for the 0941 Manager VI Manager of Workforce Development position. Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced by $35,849 ($32,325 in Permanent Salaries and $3,524 in Mandatory Fringe Benefits, the cost of this new position for three months, (File No. 04-0094), and that this position be deleted from the amendment to the FY 2003-2004 Annual Salary Ordinance (File No. 04-0095).

25. The Budget Analyst has reviewed the PUC's existing budgeted positions, DHR's position analysis, and the PUC's justification for the 0942 Manager VII, Manager of Program Development and Support Bureau, and finds that adding this 0942 Manager VII position is justified.

Ms. Mariani advises that the requisition for this 0942 Manager VII position is completed and the PUC will fill this position by approximately April 15, 2004. However, the proposed supplemental appropriation request includes funds for this position from April 1, 2004 through June 30, 2004. Also, the proposed supplemental appropriation request has incorrectly over-budgeted Permanent Salaries and Mandatory Fringe Benefits for the two subject positions. Therefore, the Budget Analyst recommends that File No. 04-0094 be amended so that the funding for this position is reduced by $7,500 ($5,123 in Permanent Salaries, and $2,377 in miscalculated Mandatory Fringe Benefits) to correct errors and reflect the PUC's anticipated hire date for this position. Recommended reductions for these two positions (Comment Nos. 24 and 25) total $43,349 ($37,448 in reduced Permanent Salaries and $5,901 in reduced Mandatory Fringe Benefits).

Additional Service of Other City Departments:

26. *DHR Work Order:* As shown in Table 3 above, the proposed supplemental appropriation request includes $484,713 in increased funding for an existing work order to DHR. According to Mr. Jamie Austin of DHR, this work order is for DHR to provide the Water System CIP program with continuous testing services, classification studies, training, recruitment, employee relations, and certifications of appointments.

27. The original PUC work order with DHR in FY 2003-2004 was for $280,000. There are two components to the proposed increase to the DHR work order of $484,713: (a) non-labor costs for professional service contracts, and advertising, travel, and materials and supplies to support testing services of $194,650, and (b) labor costs of $290,063. Funding for this work order for FY 2003-2004 would therefore total $764,713 if the subject request is approved.

28. Based on inquires of the Budget Analyst, as shown in Attachment V, provided by Mr. Austin, DHR has concluded that the additional work order request of $484,713 should be reduced to $185,793, or by $298,920. Accordingly, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced

by $298,920 from $484,713 to $185,793 (see Comment No. 33).

29. This reduced amount of $185,793 includes (a) $100,000 for a professional services contract to conduct a Utilization Study for Technical Engineers, (2) $40,000 for a professional services contract to recruit highly technical classifications, and (3) $45,793 for advertising, travel, and materials and supplies to support testing services. Attachment V includes a budget for these advertising, travel and materials and supplies costs of $45,793.

30. According to Mr. Geoffrey Rothman of DHR, Amendment Nos. 1 and 2 to the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21 and the City and County of San Francisco (File No. 04-0181, passed on first reading by the Board of Supervisors on March 16, 2004) includes a provision that the City contract with an independent consultant to conduct the Utilization Study for Technical Engineers. Mr. Rothman advises that because DHR has not yet issued a Request for Proposals (RFP), DHR does not have any details regarding this professional services contract, such as the scope of work, and a budget, including hours and hourly rates. Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced by $100,000, from $185,793 to $85,983, and that DHR should submit a request for the additional balance needed in the FY 2004-2005 budget or in a supplemental appropriation request when contract details are known.

31. DHR advises that due to delays in the recruitment process for Water Systems CIP employees, the $40,000 requested for a professional services contract to recruit highly technical classifications is no longer needed in FY 2003-2004. Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced by the entire $40,000, from $85,793 to $45,793.

32. As shown in Table 2 above, the PUC is requesting 5 new DHR positions (1.25 FTE in FY 2003-2004) so that DHR can provide the PUC with continuous testing

services, classification studies, recruitment of employees, and certify appointments.

Attachment VI to this report, provided by Ms. Lee, explains the need for an additional 1203 Personnel Technician position to provide technical and clerical support for the existing DHR staff dedicated to PUC work. The Budget Analyst has reviewed DHR's existing budgeted positions, and DHR's justification for this position, and concludes that adding this 1203 Personnel Technician is justified.

Ms. Lee advises that the requisition for this 1203 Personnel Technician position is complete and DHR will fill this position by approximately May 1, 2004 should this position be approved by the Board of Supervisors. However, the Budget Analyst notes that the proposed supplemental appropriation requests salary and mandatory fringe benefits from this position from April 1, 2004 through June 30, 2004. Therefore, the Budget Analyst recommends that the funding for the position be reduced from $16,592 to $10,619, or by $5,973, to reflect DHR's anticipated hire date for this position.

33. Regarding the other requested four positions, the 1201 Personnel Technician Trainee, the 1241 Personnel Analyst, and the two 1244 Senior Personnel Analyst positions, the Budget Analyst notes that the DHR (1) has only provided preliminary review and approval two of these four positions, and (2) states that none of these four positions could be hired before July of 2004. Further, the PUC and DHR have not fully justified the need for these four new positions.

Given the absence of a full justification for these four positions, budgeted at $178,058 for the balance of FY 2003-2004 ($194,650 for all five positions less $16,592 for the 1203 Personnel Technician which is being recommended for approval by the Budget Analyst), the Budget Analyst recommends that the Finance and Audits Committee (1) disapprove the requested 1201 Personnel Technician Trainee, the 1241 Personnel Analyst, and the two 1244 Senior Personnel Analyst positions and delete these new positions in the proposed amendment to the FY

2003-2004 Annual Salary Ordinance (File No. 04-0095). The $178,058 reduction for these positions has been included in the Budget Analyst's recommendation to delete $298,920 previously discussed in Comment No. 28, above.

Therefore, the Budget Analyst recommended reductions for the DHR work order totals $444,893 (Comment Nos. 28, 30, 31 and 32).

34. *HRC Work Order*: As shown in Table 3 above, the PUC is requesting an additional $263,000 for a work order to the HRC to fund (a) $101,323 for existing HRC staff positions for work on the PUC's contract compliance issues, and $161,677 to create three new positions (0.75 FTE for FY 2003-2004). Based on inquires of the Budget Analyst, Ms. Virginia Harmon of HRC advises that the $161,677 for new HRC positions was incorrectly budgeted, and should have been $86,576 for three new positions, or $75,101 less than the amount requested. Therefore, the Budget Analyst recommends that the HRC work order be reduced by $75,101, from $263,000 to $187,899.

Ms. Harmon states that the PUC has an existing work order for $671,894 with the HRC in the FY 2003-2004 budget, which funds eight existing positions. Ms. Harmon advises that this work order of $671,894 did not fully fund the eight existing positions working on PUC contracts and that the requested $101,323 will cover the shortfall.

35. With respect to the $86,576[3] requested for three new positions (0.75 in FY 2003-2004), Attachment III explains that the requested 0932 Manager IV, Contract Compliance Manager for Infrastructure position would:

> "Audit, evaluate, plan and implement the staffing an[d] activities for the contract compliance group serving three major departments, the Public Utilities Commission, the Department of Public Works and the Recreation and Parks Department. ... This position will perform special projects, including the full development and implementation of a Disadvantage Business Enterprise Program to

[3] The HRC has budgeted mandatory fringe benefits for these positions at 22.9 percent.

provide work opportunities for disadvantaged business."

According to Ms. Mariani, 75 percent of the work load for this positions will be related to the PUC and that the funding for this position would be shared between the PUC (75 percent), DPW (20 percent) and the Recreation and Park Department (5 percent) in FY 2004-2005. The Budget Analyst believes that successful MBE and WBE participation in contracts for the Water Systems CIP is crucial to the success of the program. However, the Water Infrastructure Partners (WIP) contract, which will be completed by December 21, 2004, includes in the scope of work "achieve Human Rights Commission goals for MBE and WBE participation in construction contracts." Therefore, funding this position before December 21, 2004 would be adding additional resources to this effort which WIP is already contracted to complete.

The Budget Analyst considers the decision of whether to add additional resources of a new 0932 Manager IV position for this effort to be a policy decision for the Board of Supervisors. Should the Board of Supervisors decide to approve this position, funding should be reduced by $11,449 from $34,348 to $22,899 to reflect a May 1, 2004 anticipated hire date, rather than the budgeted April 1, 2004 hire date.

36. With regard to the other requested two new positions for the HRC, the 2978 Contract Compliance Officer II and the 2996 Human Rights Commission Representative, HRC has not:

- Fully justified the need for two new positions in terms of contract work for the PUC in May and June of 2004.
- Provided a vacancy list for existing positions.
- Provided requisition requests or other evidence that HRC could hire these two new positions within the FY 2003-2004 budget year.

Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be reduced by $52,228 to eliminate funding for these two new positions (File No. 04-0094), and that the two new

positions for HRC (0.75 FTE in FY 2003-2004) not be included in the FY 2003-2004 Annual Salary Ordinance (File No. 04-0095).

37. Therefore, the recommended reductions for the HRC work order totals $161,677 if, as a policy decision the Board of Supervisors does not approve the 0932 Manager IV position, and $138,778, or $22,899 more, if the Board of Supervisors does approve the 0932 Manager IV position (Comment Nos. 34 - 36).

38. *Airport:* As shown in Table 3 above, the PUC is requesting $125,186 for a work order to the Airport to fund one 0933 Manager V position from January 1, 2004 through June 30, 2004. Mr. Kelly states that the duties of this position include developing the operating budget, facilities management, purchasing, contract support, and document control. According to Mr. Kelly, this position is in the Airport budget but has been assigned to the PUC since May of 2002. Mr. Kelly advises that this position was funded by a work order in the FY 2003-2004 budget from July 1, 2003 through December 31, 2003.

Mr. Kelly advises that the PUC work ordered to the Airport only 50 percent of the cost of the position because the PUC had planned to make this position a PUC position beginning January 1, 2004. Instead the PUC is requesting an additional work order to the Airport and will include this position in the PUC budget in FY 2004-2005.

39. The Budget Analyst notes that this 0933 Manager V position costs $143,089 annually, including fringe benefits. Therefore, the cost of this position from January 1, 2004 through June 30, 2004 would cost $71,544. The Budget Analyst therefore recommends that the proposed supplemental appropriation request be amended to (1) reduce the Airport work order from $125,186 to $71,544, or by $53,642, and provide for retroactivity.

40. *DPW Work Orders:* As shown in Table 3 above, the PUC is requesting $524,083 to work order to DPW for existing staff to implement a project management and control system that will include automated time entry;

coordinated timekeeping, scheduling and accounting functions. Attachment VII to this report, provided by Ms. Tina Olson of the DPW, is a budget, which includes hours and hourly rates, for this $524,083.

41. The DPW work order of $524,083 is for labor costs of existing staff positions. According to Ms. Olson, of this $524,083 in labor costs, $349,400 was charged from July 1, 2004 to date. Therefore, the Budget Analyst recommends that the proposed supplemental appropriation request be amended to provide for retroactivity.

42. According to Ms. Mariani, the PUC, the Planning Department, DHR, HRC, the Airport and DPW are all in agreement with the Budget Analyst's recommendations.

Summary:

The Budget Analyst's recommendations are summarized in Tables 4 and 5 on the following pages.

Table 4: Summary of Budget Analyst's Recommendations for the Proposed Supplemental Appropriation (File 04-0094)

Funding Use	Budget Proposal	Budget Analyst's Recommend-ation	Budget Analyst's Recommended Reduction	Comments
Intertie Project	$8,400,000	$8,400,000	0	
PEIR Project	4,677,000	4,561,531	$115,469 Comment Nos. 17, 18, 20, 21	Reduce the 0941 Manager VI, Manager of Program Development Coordination position ($19,233) and the 5299 Planner IV Environmental Review position ($19,131) to reflect the anticipated hire date. Delete a 5293 Planner IV, ($28,699). Delete the two 5298 Planner III ($48,406) positions.
Additional Office Space:			Comment No. 22	
1145 Market Street rent	231,244	128,292	102,952	Reduce rent costs to reflect accurate lease commencement date ($102,952). See Item No. 5 (File 04-0037)
Remodeling and Cubicles	724,528	724,528	0	Approve
Furniture	426,162	318,711	107,451	Reduce furniture costs to reflect reasonable costs ($107,451). See Item No. 5 (File 04-0037)
Network Equipment	141,002	141,002	Comment No. 22	Approve
Computers	235,200	235,200	0	Approve
DTIS Work Order	306,372	306,372	0	Approve
Other Office Supplies	24,000	24,000	0	Approve
Other Materials & Supplies	25,229	25,229	0	Approve
Space Planning (DPW)	50,000	50,000	0	Approve
Additional Staff and Services of Other Departments:				
PUC Positions	81,582	38,233	43,349 Comment Nos. 24 and 25	Delete a 0941 Manager VI, Manager of Workforce Development, position ($35,849, $32,325 in Permanent Salaries and $3,524 in Mandatory Fringe Benefits). Reduce the 0942 Manager VII, Manager of Program Development and Support Bureau, position to reflect the anticipated hire date and correct errors ($7,500, $5,123 in Permanent Salaries and $2,377 in Mandatory Fringe Benefits).
DHR Work Order	484,713	39,820	444,893 Comment Nos. 28, 30, 31, 32, 33.	Professional service contracts were not justified ($140,000), salary and fringes for four of the new positions which are not fully justified and non-labor costs which were overbudgeted ($298,920), 1201 Personnel Technician Trainee position budgeted using an incorrect hire date ($5,973).
HRC Work Order	263,000	124,222	138,778* Comment Nos. 34, 35, 36, 37	The position costs were budgeted incorrectly ($75,101), two requested new position were not fully justified ($52,228), and hire date for 0932 Manager IV position incorrect ($11,449).
Airport Work Order	125,186	71,544	53,642 Comment No. 39	Reduce to the actual position cost ($53,642).
DPW Work Order	524,083	524,083	0	
TOTAL:	$16,719,301	$15,712,767	$1,006,534	

*If the Board of Supervisors disapproves the 0932 Manager IV position, further cost savings of $22,899 would result (Comment No. 35).

Table 5: Summary of Budget Analyst's Recommendations for the Proposed Amendment to the Annual Salary Ordinance (File 04-0095)

Classification	Title	No. of Positions Requested (FTE in FY 2003-2004)	Policy Decision for the Board of Supervisors)	Approve	Disapprove
PEIR					
0941	Manager VI	1 (0.25)		1 (0.25)	
5293	Planner IV	1 (0.25)			1 (0.25)
5298	Planner III Environmental Review	2 (0.50)			2 (0.50)
5299	Planner IV Environmental Review	1 (0.25)		1 (0.25)	
PUC Water System CIP					
0941	Manager VI	1 (0.25)			1 (0.25)
0942	Manager VII	1 (0.25)		1 (0.25)	
HRC Work Order					
0932	Manager IV	1 (0.25)	1 (0.25)		
2978	Compliance Officer II	1 (0.25)		0	1 (0.25)
2996	HRC Representative	1 (0.25)		0	1 (0.25)
DHR Work Order					
1201	Personnel Technician Trainee	1 (0.25)			1 (0.25)
1203	Personnel Technician	1 (0.25)		1 (0.25)	
1241	Personnel Analyst	1 (0.25)			1 (0.25)
1244	Senior Personnel Analyst	2 (0.50)		0	2 (0.50)
TOTAL:		15 (3.75)	1 (0.25)	4 (1.00)	10 (2.50)

Recommendations: In summary the Budget Analyst recommends the proposed supplemental appropriation ordinance (File 04-0094) be amended to reduce the total amount by $1,006,534, from $16,719,301 to $15,712,767. The Budget Analyst recommends (a) approval of four new positions (1.0 FTE in FY 2003-2004) of the requested 15 new positions, (b) disapproval of 10 new positions (2.5 FTEs in FY 2003-2004), and (c) considers the approval of one new 0932 Manager IV, Contract Compliance Manager for Infrastructure position (0.25 FTE in FY 2003-2004), to be a policy decision for the Board of Supervisors.

1. In accordance with Comments 17, 18, 20 and 21, reduce the PEIR Project request by $115,469, from $4,677,000 to $4,561,531.

2. In accordance with Comment No. 22, reduce Rental Costs by $102,952, from $231,244 to $128,292, to reflect the correct estimated May 1, 2004 lease commencement date (page 3, line 14).

3. In accordance with Comment No. 22, reduce Furniture Costs by $107,451, from $426,162 to $318,711, to reflect a more reasonable estimate for furniture costs (page 3, line 20).

4. In accordance with Comment Nos. 24 and 25, delete permanent salary funding for the 0941 Manager VI Manager of Workforce Development position and reduce permanent salary funding for the 0942 Manager VII position to reflect the PUC's anticipated hire date for this position, by a total of $37,448 from $71,985 to $34,537 (page 2, line 8).

Reduce related mandatory Fringe Benefits by $5,901, from $9,597 to $3,696 (Page 2. Controller to make detailed adjustments). Reductions from these two amendments of salaries and fringes would therefore total $43,349.

5. In accordance with Comment No. 28, 30, 31, 32, and 33 reduce the DHR Work Order by $444,893, from $484,713 to $39,820 (page 4, line 7).

6. In accordance with Comment No. 35, adding additional resources, a 0932 Manager IV position, to the MBE and WBE program for the Water System CIP, is a policy decision for the Board of Supervisors.

7. In accordance with Comment Nos. 34, 35, 36, and 37, reduce the requested amount for the HRC Work Order by $138,778 from $263,000 to $124,222 (page 4, line 9). Should the Board of Supervisors decide to approve this position, funding should be reduced by $11,449 from $34,348 to $22,899 to reflect a May 1 anticipated hire date, rather than the budgeted April 1 hire date.

8. In accordance with Comment No. 39, reduce the Airport Work Order by $53,642 from $125,186 to $71,544 (page 4, line 13).

9. In accordance with Comment Nos. 15, 39 and 41, amend the proposed ordinance to provide for retroactivity.

The Budget Analyst recommends the following amendments to the proposed additions to the FY 2003-2004 Annual Salary Ordinance (File No. 04-0095):

10. In accordance with Comment No. 17, delete one 5293 Planner IV position (page 2, line 5).

11. In accordance with Comment No. 21, delete two 5298 Planner III positions (page 2, line 6).

12. In accordance with Comment No. 24, delete one 0941 Manager VI Manager of Workforce Development position (page 1, line 18).

13. In accordance with Comment No. 33, delete one 1201 Personnel Technician Trainee, one 1241 Personnel Analyst, and two 1244 Senior Personnel Analysts positions (page 3, lines 3, 13, 15, and 17 respectively).

14. In accordance with Comment No. 36, delete one 2978 Contract Compliance Officer II position, and one 2996 Human Rights Commission Representative position (page 2, lines 15, 16, and 18 respectively).

15. The Budget Analyst recommends: (a) approval of the Intertie Project, (b) approval, as amended, of the PEIR project, and (c) approval, as amended, of the additional office space, staff, and services of other departments. In accordance with Comment No. 35, the Budget Analyst considers approval of one new 0932 Manager IV Contract Compliance Manager to be a policy matter for the Board of Supervisors.

SFPUC
WATER
HETCH HETCHY WATER & POWER
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MEMORANDUM

GAVIN NEWSOM
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PRESIDENT

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COMMISSIONERS:
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ADAM WERBACH
RYAN L. BROOKS

PATRICIA E. MARTEL
GENERAL MANAGER

HARLAN L. KELLY, JR.
ASSISTANT GENERAL MANAGER
INFRASTRUCTURE

TO: Elaine Forbes
Budget Analyst

DATE: March 8, 2004

FROM: Harlan L. Kelly, Jr.

SUBJECT: Attachment I: Background / Justification for Supplemental

Legislative Authority

In July 2002, the Board of Supervisors approved the presentation of a Charter Amendment, Proposition E, on the November 2002 ballot that would permit the San Francisco Public Utilities Commission (SFPUC) to issue revenue bonds without prior voter approval. The successful passage of this measure authorized any addition to the SFPUC's Capital Improvement Program (CIP) subject to Commission approval and subsequent water rate adjustments.

The SFPUC CIP was updated on August 21, 2003 to include the Intertie between the East Bay Municipal Utility District (EBMUD) and the SFPUC. Once the project is completed, the SFPUC portion will be placed into the water base, with costs recovered according to the formula contained in the Master Water Sales Agreement between San Francisco and its wholesale customers.

Besides local mandate to move forward with water system improvements, the California State Legislature created a financing vehicle and an oversight mechanism to ensure the success of the SFPUC CIP. The San Francisco Bay Area Regional Water System Financing Authority Act (SB1870) created a Regional Financing Authority (RFA) that may issue revenue bonds to fund capital improvement projects for the regional water system.

Concurrently, the Wholesale Regional Water System Security and Reliability Act (AB1823) imposes various reporting requirements on the SFPUC. Annual progress reports and updates of the SFPUC CIP must be submitted to the State Department of Health Services, the Joint Legislative Audit Committee and the Seismic Safety Commission. AB1823 established a timeline for completion of specified regional water system projects.

Reorganization of the SFPUC CIP Management System

The reorganization of the Infrastructure Division that manages the SFPUC CIP is intended to make roles and responsibilities explicit, enhance organizational capacity, and foster cross-disciplinary interactions to increase and ensure staff productivity. Due to the time parameters and exacting conditions of the new schedule, staff must be supplemented by the advocacy and regulatory expertise of a 0941 Workforce Development Director; the strategic and managerial expertise of a 0942 Bureau Manager for Program Development; the specialized programmatic environmental impact reporting expertise of a 0941 Manager; and the technical expertise and support of a dedicated manager, individual or team from the Departments of City Planning, Human Resources and Human Rights to provide services, respectively, to expedite planning, personnel, and contract compliance requirements.

CIP Schedule and Budgets

On May 28, 2002, the SFPUC CIP was approved by the SFPUC Board of Commissioners. The May 2002 CIP baseline included a spend forecast of $20 million in Year 1 (2003-2004) and $48.5 million in Year 2 (2004-05). When the budget request for Year 1 was made, it was recognized that the complex environmental process associated with the regional projects would require a programmatic approach to the planning of the CIP. This would ultimately result in schedule delay of the overall program. Therefore, a very aggressive and ambitious plan was produced to accelerate the front end of the program, in order to mitigate possible future schedule delays as well as to maintain a sensible programmatic approach.

Environmental Review Phase

The SFPUC is aware of the need to fully consider the environmental impact of projects and provide mitigation where necessary, even when significant delays could potentially occur during the permitting phase of CIP implementation.

In mid-2003, after consultation with the City Attorney's Office and the Planning Department, SFPUC determined it needed to prepare a Programmatic Environmental Impact Report (PEIR) for the 37 Regional Projects of the Water System CIP. The inclusion of the PEIR is not only necessary but will provide an overview of future projects, address system-wide objectives, and streamline future CEQA [California Environmental Quality Act] review of projects. This programmatic approach to the planning of the Regional Projects would have caused delays to the Water System CIP because the PEIR, which will take approximately 30 months to complete, must be completed before the 37 Regional Projects commence.

PEIR analysis of the environmental effects of the regional CIP projects, the ascertainment of ways to reduce or avoid possible environmental degradation, and identification of alternatives that would reduce or avoid the significant adverse

effects of the proposed projects, will necessarily result in a new CIP schedule. Any slippage of this new schedule will result in an average escalation cost per month of $400,000 if 80% of regional projects are delayed by one year.

On August 21, 2003, the first annual CIP program status report and update as of June 30, 2003 was submitted as required by the Wholesale Regional Water System Security and Reliability Act (AB1923), San Francisco Bay Area Regional Water System Financing Authority (SB1870), and Proposition E. The SFPUC amended the original Water System CIP to include the Intertie project between EBMUD and the SFPUC. A new spend profile was created with the June 2003 baseline requiring spending of $66 million in Year 1 and a cumulative spend of $153 million after Year 2.

In order to prevent serious delays to the Water System CIP, the SFPUC reconfigured the Water System CIP project schedule to: (1) ensure that the PEIR is completed as early as possible; (2) include the Intertie Project to the Water System CIP, which is a Regional Project but does not require the completion of the PEIR to begin; and (3) advance in the schedule local projects, which also do not require the completion of the PEIR.

The current status of all 77 CIP projects is as follows: (a) the start dates of 28 regional projects have been moved earlier generally due to a need for a programmatic approach to planning and environmental review, (b) the start dates of 8 regional and local projects have essentially remain unchanged, (c) the start date of the San Antonio Pump Station regional project has been moved two years later in order to integrate this project within the Sunol Valley plan, (d) the start dates of 27 local projects have been moved earlier and five local projects moved later due to a reassessment of priorities.

In addition, the table that follows identifies the implementation status of nine projects identified as significant by AB1823. CIP implementation is underway for eight of the nine projects. As the table indicates, four projects, which are undergoing the early stages of project environmental review, would be delayed pending the completion of the overall PEIR.

Projects Identified in Wholesale Regional Water System Security and Reliability Act

#	Description	Start Date	Status
9970	Irvington Tunnel Alternative	12/19/01	Request for Proposal (RFP) for EIR advertised in December 2003.
201671	Crystal Springs Pump Station & Pipeline	12/3/01	Planning in progress.
99	BDPL 1&2 Repair of Caissons/Pipe Bridge	1/6/03	Planning in progress.
128	BDPL Pipeline Upgrades at Hayward Fault	1/6/03	Planning in progress.
9897	Calaveras Fault Crossing Upgrade		This project has been moved into the Irvington Tunnel Alternatives.
9891	Crystal Springs Bypass Pipeline	7/1/02	Environmental Review notice distributed.
202339	BDPL Cross Connections 3 & 4	7/1/04	Work not yet started.
201441	BDPL Hydraulic Capacity Upgrade	12/19/01	Planning duration extended to reflect time needed to procure consultant for the EIR.
202135	Calaveras Dam Seismic Improvements	4/1/03	Request Commission authority to issue EIR request for RFP.

SFPUC/EBMUD Intertie

This project will provide facilities for an Intertie between the East Bay Municipal Utility District (EBMUD) and San Francisco's water supply systems. The Intertie will provide up to 45 million gallons per day (MGD) in either direction. This project will do the following: 1) provide water to SFPUC and EBMUD in the event of major facility failures due to earthquakes and other disasters and during planned pipeline shutdowns of certain segments of the system for inspections and repairs and 2) make use of existing or planned Hayward Water System facilities to convey water in either direction. The SFPUC CIP was updated on August 21, 2003 to include the intertie with EBMUD.

This Intertie project consists of construction of new Skywest Pump Station, new 8,000 linear feet of 36-inch diameter pipeline, modifications to and use of existing City of Hayward's 42-inch and 33-inch pipelines, modifications to City of Hayward's Hesperian Pump Station and improvements at SFPUC's facilities at Newark Turnout.

SFPUC, EBMUD and the City of Hayward (COH) entered into a Memorandum of Understanding (MOU) on April 21, 2003, to pursue design services and construction of the Intertie and for long-term operation and maintenance of the Intertie. Since the main facilities are to be located in the City of Hayward, and operation of the Intertie would affect the City of Hayward's water system, parties agreed that the City of Hayward would be the lead agency for the project. COH will be providing the use of existing pipe as well as right-of-way for the construction of the new pipeline section and pump station.

The cost of the design and construction of the intertie facility is to be shared equally by SFPUC and EBMUD. In addition, both parties have agreed to pay for their own expenses related to staff time.

Phase	Start	Complete	Cost or Estimate	SFPUC's Share
Feasibility Report	July 2002	Oct 2002	$30,000	$9,000
Initial Study	Nov 2002	April 2003	25,000	12,500
Design	Apr 2003	Apr 2004	1,265,000	632,000
Construction	June 2004	March 2006	15,580,000	7,790,000
Construction Mgmt (SFPUC)				610,000
Total Budget			$16,900,000	$9,053,500
SFPUC Prior Appropriation *				(653,500)
Supplemental Request				**$8,400,000**

* FAMIS Project PUW502, 5W AAA AAP

The feasibility study was performed by Carollo Engineers, who were under contract to the COH for designing the Hesperian Pump Station and for performing the hydraulic modeling of COH's distribution system. Both the Hesperian Pump Station and performance of the COH distribution system are critical for the Intertie Project.

The initial study (environmental) was performed by Environmental Science Associates (ESA), who was also under contract with COH for preparing COH's EIR Master Plan for the Hayward City Airport. Parties agreed to use ESA because of their work on the Airport Property, upon which the pump station of the Intertie will be located.

The construction contract will be put out to bid and awarded to the lowest responsive bidder. COH will administer the construction contract. The contract is expected to be put out to bid in the beginning of March 2004 with construction starting June 2004, and completing March 2006. The total construction costs are estimated at $15,580,000 of which SFPUC's share is $7,790,000.

The construction management budget for SFPUC is listed below.

EBMUD Intertie (Construction Management)				
Position	**Hours**	**Rate**		**Amount**
5211 Senior Engineer	900	$	162	145,800
5207 Associate Engineer	1,800	$	120	216,000
6318 Construction Inspector	2,040	$	108	220,300
2486 Chemist	80	$	88	7,000
7317 Senior Water Service Inspector	50	$	125	6,300
7284 Utility Plumber Supervisor	60	$	130	7,800
7388 Utility Plumber	60	$	108	6,500
Total Construction Management (Rounded)				**610,000**

Programmatic Environmental Impact Review (PEIR)

The funding for the PEIR is being requested as a reappropriation of Proposition A Bond Funds from the following projects:

- Standby Power Facilities: Various Locations: The project is now in planning phase. $199,000 has been requested in the FY 04-05 annual budget request, for a total project budget in FY04-05 of $844,000 for planning.

- New Treated Water Reservoir (Sunol Valley): The project is currently in the planning phase, with environmental review initiated. Design is anticipated to begin this calendar, with 50% design completion targeted for end of calendar year 2004. Along with $1.8 million currently in the project, another $3 million is being requested in the FY04-05 annual budget request to continue with design.

- Sunol Treatment Capacity (enlarge): The project planning has been delayed, but planning efforts will begin in the third quarter of this calendar year (originally planned to start Spring 04). No additional funds have been requested for FY04-05. There is currently $423,000 in the project.

- Recycled Water: A Recycled Water Master Plan has been developed, and the "program" has projects to implement use of recycled water. Including the current $1.6 million in the "program," another $4.5 million has been requested in the FY04-05 budget to continue planning, design and construction of the projects in the program.

The proposed budget is as follows:

Planning			
Position	**Hours**	**Rate**	**Amount**
5634 Resources Manager	848	$150	$127,200
5291 Planner III	153	115	17,595
5508 Project Mgr IV	360	200	72,000
5212 Principal Engineer	830	180	149,400
0941 Manager VI	360	180	64,800
Subtotal City-Staff			**$430,995**
Senior Program Manager	600	$164	$98,400
Environmental Engineer	1,900	103	195,700
Environmental Engineer	3,160	90	284,400
Civil Engineer	700	95	66,500
Administrative Assistant	205	49	10,045
Subtotal Consultants			**$655,045**
Total Planning (Rounded)			**$1,086,000**
Environmental Review			
Position	**Hours**	**Rate**	**Amount**
5634 Resources Manager	80	$150	$12,000
5293 Planner IV	230	135	31,000
5299 Planner IV (Env Rvw)	200	135	27,000
5298 Planner III (Env Rvw)	180	115	21,000
Subtotal City-Staff			**$91,000**
Subtotal Consultants			**2,500,000**
Total Environmental Review			**2,591,000**
Scheduling and Program Controls			
Position	**Hours**	**Rate**	**Amount**
5506 Project Manager III	720	$180	$129,600
5212 Principal Engineer	840	180	151,200
5241 Engineer	2,460	140	344,400
5207 Associate Engineer	1,980	120	237,600
5203 Assistant Engineer	1,332	103	137,196
Total City Staff (Rounded)			**$1.000,000**
TOTAL FUNDING REQUEST			**$4,677,000**

On September 23, 2003, the SFPUC Commission approved the advertisement and selection process to retain a consultant to provide environmental analyses services for the Regional Water System Improvements. The consultant is expected to perform environmental studies, prepare the draft and final PEIR document and other environmental documents, as required by the California Environmental Quality Act (CEQA), CEQA guidelines, San Francisco Administrative Code Chapter 31, and related local, State, and Federal Regulatory requirements. The SFPUC has moved forward on the selection process and conducted interviews. This request will be used to fund the consultant contract.

- Selection Process
  A Request for Proposal (RFP) was advertised on October 9, 2003. The RFP was advertised on the City website for all contracts. The pre-proposal conference was held October 15, 2003. Interviews of the two proposers were held on December 3, 2003. The selection was based on review of written proposals, and oral presentations and responses to questions prepared by SFPUC staff. The selection panelists included one representative each from BAWSCA and the Santa Clara Valley Water District and three representatives from within the City. Weight (in scoring) was not given to the cost proposal. The selection panel did not see cost proposals (in sealed envelopes until after selection of consultant). The consultant selected for negotiations of a contract with the SFPUC is ESA+Orion Environmental Associates, Joint Venture.

  While the hours for the ESA + Orion, JV have not been estimated by task, the consultant contract is expected to be for a duration of 30 months and is expected not to exceed $2.5 million. Certification of the contract and notice-to- proceed is anticipated to be in March 2004, after approval of this supplemental appropriation.

  SFPUC staff time under this request is to prepare the Request for Proposal for Program EIR; work on consultant selection and negotiations; develop program alternatives, or project bundles, for the PEIR; develop the strategy document for the program (and projects in the Regional Water System); update and monitor both the overall program schedule as well as the regional project schedules; and communicating with BAWSCA and other agencies regarding progress on the tasks.

There are five new positions included in this request: (1) 0941 Manager VI; (1) 5293 Planner IV; (1) 5299 Planner IV-Environmental Review, and (2) 5298 Planner III-Environmental Review. The expected hire date for these positions is April 2004.

- SFPUC
  The 0941 Manager VI is a new position that the SFPUC has requested, and that DHR has recently approved. SFPUC is in the process of preparing an amendment to the ASO to include this position. This position will work on developing program strategy, and should be very knowledgeable on the operations of the SFPUC water system. The 5293 Planner IV position in SFPUC will provide supervisory and project management of numerous CEQA project and task associated with the 77 local and regional CIP projects, many of which will begin in the current year and many of which will be running simultaneously over a period of years.

- City Planning
  In preliminary conversations with the City Planning Department, SFPUC understood that the City Planning Department had vacant positions that could be used to support the SFPUC environmental review requirements. Subsequent conversations revealed that City Planning did not have surplus vacant positions to dedicate for the CIP. *Thus, the SFPUC is creating three positions through this appropriation request and will loan the positions to the City Planning Department.*

  The three positions (5299 Planner IV and 5298 Planner III) for the City's Planning Department Office of Major Environmental Review will ensure that the documents produced in the environmental review process are compliant with California Environmental Quality Act (CEQA). In addition to environmental impact reports that will be required of the larger and more complex regional water projects, we will need to prepare mitigated negative declarations and categorical exemptions.

  The City Board of Supervisors must certify all CEQA documents that the SFPUC will be producing in order to construct its system improvements. The City Planning Department, therefore, will need to advise SFPUC in their development, and approve the final documents. Consequently, SFPUC has agreed to create and fund three of these positions within their budget and provide the necessary workspaces, in order to work on SFPUC projects over the next nine years.

Please do not hesitate to contact me if you have questions or need additional information. Thank you.

DEPARTMENT OF HUMAN RESOURCES
CITY & COUNTY OF SAN FRANCISCO
Andrea R. Gourdine, Human Resources Director

January 21, 2004

Harlan Kelly Jr.
Assistant General Manager, Infrastructure
Public Utilities Commission
1155 Market Street, 11th floor
San Francisco, CA 94103

Dear Mr. Kelly Jr.:

This is in response to a request from the Public Utilities Commission (PUC) Capital Improvement Program (CIP) to review documentation and an organization chart that outlines the duties and responsibilities of one 5293 Planner IV position that will be assigned to the Environmental Review/Permitting Unit of the Planning Bureau of PUC, and a 5299 Planner IV Environmental Review and two 5298 Planner III Environmental Review positions assigned to the Planning Department.

According to the documentation provided, the 5293 Planner IV will plan, administer, and direct the activities of a project group engaged in the environmental review and permitting process for the implementation of the San Francisco Public Utilities Commission's regional projects that are a part of the Capital Improvement Program. The Planner IV will also advise senior management on pertinent federal, state and local regulations affecting the implementation of the SFPUC regional projects in the CIP; make recommendations on the appropriate department actions; develop and prepare difficult and complex technical reports; represent the department in public meetings; act as technical advisor on all studies and problems related to environmental review and permitting of the regional projects in the CIP; serve as liaison with regulatory agencies such as the Department of City Planning, San Francisco Bay Area Regional Water Quality Control Board, San Francisco Bay Conservation and Development Commission, U.S. Environmental Protection Agency and the California Department of Fish and Game; and perform other duties as required.

The 5299 Planner IV Environmental Review position will supervise office staff engaged in the preparation and review of Environmental Impact Reports and environmental evaluations on both the SFPUC Capital Improvement Program, and the specific projects that make up the Capital Improvement Program, to insure compliance with the California Environmental Quality Act, the San Francisco Administrative Code and other governmental regulations and guidelines. In addition, the position will oversee major studies for the SFPUC Capital Improvement Program and projects; implement and enforce city planning policies and procedures; gather, analyze and interpret planning data and prepare recommendations; prepare difficult and complex technical reports; represent the department at public meetings; act as a technical advisor on all studies and problems related to planning; and perform related duties as required.

44 Gough Street, San Francisco, CA 94103-1833

The two 5298 Planner IIIs will work on the SFPUC Capital Improvement Program for the rehabilitation of the water system. They will manage and coordinate all necessary activities required for the production and completion of Environmental Impact Reports, Negative Declarations and Categorical Exemptions for specific projects within the CIP and these positions will report to the 5299 Planner IV Environmental Review position.

Staff has reviewed these requests and compared it to classes within the Environmental Specialist series (classes 5642, 5644, and 5646). However, the Environmental Specialist classes focus on the specialties of Clean Air Programs, Energy Conservation Programs, Public Outreach and Education Programs, Recycling Commercial and Residential Programs, and Toxics Reduction Programs. We understand that the requested positions will be working on the Capital Improvement Program for the rehabilitation of the water system and therefore, the Environmental Specialist classes would not be appropriate.

Our preliminary review indicates that the department can use the requested Planner classes for the described positions. If the department wants to request that any of these positions be posted in the future, a completed Job Analysis Questionnaire will need to be submitted for each position so that these positions can be posted for classification action. If you have any questions or concerns, please call me at 557-4934.

Sincerely,

Elaine Lee
Principal Personnel Analyst

Cc: Marsha Stroope, Department of Human Resources
Pat Martel, Public Utilities Commission
Therese Madden, Public Utilities Commission
Pat Pendergast, Public Utilities Commission
Rosie Rios, Public Utilities Commission

Disadvantaged Business Enterprise Program to provide work opportunities for disadvantaged businesses both locally and regionally in the areas where capital projects and infrastructure is to be performed and the production and implementation of a major outreach and incentive plan that will result in the expansion of the contractor pool. The management complexity of this position is based upon the magnitude of projects served ($5.1 billion over 13 years), the expansion of the service area including the introduction of initiatives such as the First Source Program and Disadvantaged Business Enterprise Program to eight counties other than San Francisco and the need to ensure consistency and integration in contract compliance policy and procedure among four separate departments (PUC, DPW, RPD and HRC). Sufficient information has been received to preliminarily recommend class 0932 Manager IV for the position as described.

If you have any questions or if I can be of further assistance, please contact me on 415-557-4806.

Sincerely,

Robert W. Pritchard
Principal Personnel Analyst

cc: Patricia Martel, PUC
Therese Madden, PUC
Pat Pendergast, PUC
Rosie Rios, PUC
Carol Isen, PUC
Marsha Stroope, DHR
Elaine Lee, DHR

DEPARTMENT OF HUMAN RESOURCES
CITY & COUNTY OF SAN FRANCISCO
Andrea R. Gourdine, Human Resources Director

January 22, 2004

Mr. Harlan Kelly
Assistant General Manager, PUC
1155 Market Street, 8th Floor
San Francisco, CA 94103

Dear Mr. Kelly:

This is in response to a request from the Public Utilities Commission (PUC) Capital Improvement Program (CIP) to review the Job Analysis Questionnaires (JAQs) for four new positions, three to be assigned to the CIP and one to be assigned to the Human Rights Commission (HRC).

Requests to Classify were received for the following positions:
1) 0942 Manager VII: Manager of Program Development and Support Bureau →
2) 0941 Manager VI, Director of Workforce Development-Capital Improvement Program
3) 0941 Manager VI, Manager of Program Development Coordination
4) 0932 Manager IV, Contract Compliance Manager for Infrastructure.

Staff has reviewed the JAQs, organizational charts and other information provided on these positions and preliminarily recommends the following:

1) 0942 Manager VII: Manager of Program Development and Support Bureau.
Staff has reviewed the JAQ, organization chart and other information received on this position. This position functions at an executive level and is responsible for providing the strategic vision, comprehensive planning efforts and technical support for the Infrastructure Division, oversees all program efforts, including development of program strategy and coordination for approval/adoption of the Program Environmental Impact Report (EIR) and other project specific EIRs. The position establishes policies for the program, provides project initiation and development and serves as chief liaison for the SFPUC Planning and Operations divisions and associated regulatory/advisory bodies. The Program Development & Support Bureau contains all technical activities supporting the Bureaus of Project Management, Engineering Design and Construction Management including: cost estimating, scheduling, controls, risk analysis, performance audits, procedures and policies, quality assurance and quality controls, peer review, and value engineering. Centralized technical functions allow the Infrastructure Division to prioritize, schedule, track and manage projects cohesively and collaboratively among the bureaus, the SFPUC, the City and the external agencies involved with the Infrastructure Division's projects and programs. Sufficient information has been received to preliminarily recommend class 0942 Manager VII for the position as described.

2) 0941 Manager VI: Director of Workforce Development, Capital Improvement Program. Staff conducted an analysis of the position based upon the draft class specification and the draft organizational chart provided. Under policy direction, this position functions at the executive level of management at the PUC and is responsible for planning, organizing, directing assisting in all aspects of internal and external workforce development; developing staffing plans, joint committees, and training programs; and providing leadership in workplace organization efforts and personnel activities. The position is differentiated from class 1270 Departmental Personnel Officer and class 1272 Senior Departmental Personnel Officer in that these classes are responsible for administering the human resources program for employees of a diversified departmental organization. This position will also function independently from the Assistant General Manager of Labor Relations, PUC and is differentiated from that position in that the Director of Workforce Development will work exclusively on labor relations issues related to CIP work. The analysis revealed that the requested position meets the criteria for class 0941 Manager VI in 7 of the 11 allocation factors. Of the four allocation factors that the proposed position failed to meet, two were not met due to insufficient information. Sufficient information has been received to preliminarily recommend class 0941 Manager VI for the position as described.

3) 0941 Manager VI: Manager of Program Development Coordination. Staff conducted an analysis of the position based upon the JAQ and the organizational chart provided. This position is a senior staff member within the Program Development & Support Bureau responsible for managing and coordinating the operations of the San Francisco Regional Water System. Oversees all operation efforts, including day-to-day operations of the Regional Transmission System which includes the operation of all regional water treatment facilities. Oversight of shutdown, startup and overall facilities operations. Coordinates all Capital Program construction activities of the Regional Water System. Works closely with senior staff to establish policies for the bureau and serves as a liaison for SFPUC Planning and Operations divisions and associated regulatory and advisory bodies. Centralized operations functions will allow the Infrastructure Division to prioritize, track and manage current and future maintenance and operations of capital projects cohesively and collaboratively among the bureaus, the SFPUC, the City and external agencies. While the allocation factors definitely justify at least an 0933 recommendation, the reporting relationships lead to a recommendation that this position be allocated to the 0941 Manager VI level.

4) 0932 Manager IV: Contract Compliance Manager for Infrastructure. Staff conducted an analysis of the position based upon the JAQ, organization chart and other information received. This position will be located in the Human Rights Commission and will report to the Director of the Human Rights Commission. The position will audit evaluate, plan and implement the staffing an activities of the contract compliance group serving three major departments, the Public Utilities Commission, the Department of Public Works and the Recreation and Parks Department. This position will consult, advise and assist department and agency executives, City Attorney, and regulatory agencies such as the Bay Area Water User's Alliance. In addition, this position will perform special projects, including the full development and implementation of a

SFPUC

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MEMORANDUM

GAVIN L. NEWSOM
MAYOR

E. DENNIS NORMANDY
PRESIDENT

ROBERT J. COSTELLO
VICE PRESIDENT

ANN MOLLER CAEN
ADAM WERBACH
RYAN L. BROOKS

PATRICIA E. MARTEL
GENERAL MANAGER

February 9, 2004

To: Elaine Forbes
Budget Analyst

From: Michael Carlin
Manager, SFPUC Planning Bureau

Subject: Funding Request in Support of PEIR Environmental Review

The purpose of this memorandum provides supplemental information regarding the process for consultant selection for the Programmatic Environmental Impact Report (PEIR) and request for additional positions. The requests for additional positions are three (3) positions for the City's Planning Department Office of Major Environmental Review (MEA) and one (1) position for the SFPUC.

You requested information on the amount and details of selection of the PEIR Consultant contract. The consultant selection process was through a Request for Proposals that was released for distribution on November 9, 2003. The contract is to provide services to meet the California Environmental Quality Act (CEQA) requirements for the CIP Program Improvements. The amount of the contract is not to exceed $2.5 million over 30 months from the date of the Notice to Proceed. We received two proposals that were found to be responsive and scored by an interview panel. I have attached the relevant Human Rights Commission and SFPUC Commission Agenda items that provide greater detail on final scores and the selected consultant.

In preliminary conversations with the City Planning Department, SFPUC understood that the City Planning Department had vacant positions that could be used to support of the SFPUC environmental review requirements. Subsequent conversations revealed that City Planning did not have surplus vacant positions. Thus, the SFPUC is creating three positions in their budget and will detail the positions to the City Planning Department. The request for the additional positions is to insure that the documents produced in the environmental review process are compliant with CEQA. In addition to individual Environmental Impact Reports that will be required of the larger and more complex regional water projects, there will be the need to prepare mitigated negative declarations and categorical exemptions.

The City Board of Supervisors must certify all CEQA documents that SFPUC will be producing in order to construct its system improvements. The City Planning Department, therefore, will need to advise SFPUC in their development, and approve the final documents. Consequently, SFPUC has agreed to create and fund three of

PLANNING BUREAU
1145 Market Street – Suite 401 – San Francisco, CA 94103 – (415) 934-5700 – FAX (415) 934-5750

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MEMORANDUM

these positions within our budget and provide the necessary work spaces, in order to work on SFPUC projects over the next nine years. The second Planner IV position is also required to provide supervisory and project management skills for the numerous CEQA projects and tasks associated with the seventy-seven local and regional CIP projects, many of which will begin in the next year and many of which will be running simultaneously over a period of years.

Please contact me at (415) 934-5787 if you have questions.

Cc: Kathy How
Carol Isen

Attachments SFPUC Agenda Item for PEIR Contractor Award/HRC Memo

PLANNING BUREAU
1145 Market Street – Suite 401 – San Francisco, CA 94103 – (415) 934-5700 – FAX (415) 934-5750

MEMORANDUM

Date: March 10, 2004

To: Elaine Forbes, Budget Analyst

From: Jamie Austin, Human Resources

Cc: Carol Isen, PUC

Subject: PUC CIP Supplemental Appropriation – DHR Workorder and Positions

The following is additional information on DHR's $515,793 workorder included in the PUC CIP appropriation and the ASO amendment to add 0.25 FTE (one full-time position starting in April 2004) positions to DHR.

Purpose of Workorder
DHR is and will be providing the PUC CIP program continuous testing services, classification studies, training, recruitment, employee relations, and certifications and appointments.

Amount of Workorder
The DHR workorder for the PUC CIP in FY 2003-04 is $515,793, of which the PUC is requesting $185,793 in the proposed supplemental appropriation. This $185,793 is composed of two elements.

The first element is a budget of $194,650 to cover various non-labor costs, including $140,000 in professional services contracts that have not yet been issued. Of the $140,000, $100,000 will be used to conduct a workforce utilization study using expert contractors, per the City's agreement with Local 21. The balance of $140,000, or $40,000, will be used to pay outside consultants to recruit highly technical classifications. Of the balance of the $194,650, or $54,650, will be used for the following purposes:

- $8,000 for advertising for 13 job classifications
- $4,250 for rater travel/lodging/per diem
- $3,000 for rater food and supplies
- $6,500 for exam proctors for 350 exam proctor hours (@ $18.60)
- $7,000 for materials, supplies, telephone, postage and reproduction services
- $7,000 for telephone for providing classifications and recruitment and selection services for 13 job classes
- $5,600 for postage
- $2,800 for reproduction for anticipated applicant pool of approximately 1,500
- $10,500 for computers, printer, software license and technical support

The second element is an offset of $8,857 between what has previously been established in workorders for DHR salary and mandatory fringe benefits and the amount DHR projects to spend for these costs (see below). Thus, only $185,793 is included in the

proposed supplemental appropriation. Additional positions, beyond the one full-time position starting in April 2004, will be included in DHR's budget proposal for FY 2004-05.

Actual Costs to Date

DHR has incurred $139,887 through January 31, 2004 against existing a PUC CIP workorder for $280,000, and a PUC workorder for $50,000, for a total of $330,000. We project to spend $321,143 in salary and mandatory fringe benefit costs though the end of the fiscal year. This includes costs for the one full-time position starting in April 2004. Thus, there is $8,857 available to cover part of the $194,650 in non-labor costs. As a result, the $194,650 for non-labor costs in workorder may be reduced to $185,793.

February 26, 2004

MEMORANDUM

To: Marsha Stroope
Deputy Director, Merit System Services

From: Elaine Lee
Principal Personnel Analyst

Re: Justification for a 1203 Personnel Technician

Since July 1, 2003 we have not had the support of a class 1203 Personnel Technician and therefore all of the technical and clerical responsibilities related to our work with the Public Utilities Commission have been done by professional staff.

Looking ahead, we will need the support of a Personnel Technician for the following reasons:

1. With the implementation of the GESP program for class 5201, we have started to receive a large number of applications. We will be establishing eligible lists on a more frequent basis due to the number of applications. In addition, the implementation of the GESP program requires that we track applicants and personnel hired to ensure that they meet the requirements of the program and that will necessitate the assistance of support personnel.
2. Currently, we have continuous testing for classes 5201, 5203, and 5207. As we move forward, we will also be implementing continuous testing for class 5241 Engineer. There is a great deal of data entry, applicant monitoring and other related clerical duties which would justify the support of a Personnel Technician.
3. The consolidation of the Engineer, Architect and Landscape Architect classes along with the subsequent development of examinations for these new classes further support our need for a Personnel Technician. It is also very likely that we may move towards continuous testing for some or all of the new classes.
4. We will need someone to handle all of the logistics related training hiring managers on selection processes. Furthermore, we will also need someone to perform clerical duties such as creating Powerpoint presentations, making copies of handouts, setting up the training rooms and other related tasks.
5. We will also need a Personnel Technician to support the professional staff in the development and maintenance of PUC CIP examinations for MCCP classes.

I hope that this provides you with sufficient justification of our need for a Personnel Technician. If you need any additional information, please let me know.

DPW General Administration Employees Working for Harlan on PUC CIP Projects

Person	Service Description	6-Months (1,056 hrs) (7/1/03 thru 12/31/03)	Classification	Salary	MFBs	Total 6-month Cost
Edgar Poma	Assistant to Harlan	1056	1824	43.375	0.155	$52,904
Carmelita Navarro	Assistant to Harlan	1056	1450	27.425	0.155	33,450
Jennie Lee	Assistant to Harlan	1056	1450	28.8	0.155	35,127
Lourdes Nicomedes	Special Projects	844.8	0931	50.732	0.155	49,502
Jocelyn Quintos	Special Projects	844.8	0932	54.57	0.155	53,246
Tina Olson	Special Projects	105.6	5186	54.443	0.155	6,640
Jim Buker	Assistant to Harlan	1056	5270	58.688	0.155	71,580
Totals		**6,019**				**$302,448**

Person	Service Description	6-Months (1,020 hrs) (1/02/04 thru 06/30/04)	Classification	Salary	MFBs	Total 6-month Cost
Edgar Poma	Assistant to Harlan	1020	1824	43.375	0.155	$52,904
Carmelita Navarro	Assistant to Harlan	1020	1450	27.425	0.155	33,450
Jennie Lee	Assistant to Harlan	1020	1450	28.8	0.155	35,127
Lourdes Nicomedes	Special Projects	255	0931	50.732	0.155	14,942
Jocelyn Quintos	Special Projects	255	0932	54.57	0.155	16,072
Jim Buker	Assistant to Harlan	1020	5270	58.688	0.155	69,140
Totals		**4,590**				**$221,635**
Grand Total		**10,609**				**$524,083**

Assumptions:

Edgar, Carmelita, Jennie and Jim are full-time all fiscal year at the PUC.

Tina - a few projects/analyses for the first six months.

Jocelyn and Lourdes are four days a week for the first six months and 10 hours a week the following six months.

Source: DPW

Item 5 – File 04-0037

Department:	Public Utilities Commission (PUC) Department of Administrative Services, Real Estate Division (RED)
Item:	Resolution authorizing a new lease of 30,790 square feet of office space in a building located at 1145 Market Street, San Francisco for the City and County of San Francisco Public Utilities Commission.
Location of the Proposed Lease:	The entire first, eighth, and tenth floors, and a portion of the fourth floor of the 12-story office building located at 1145 Market Street.
Lessor:	The Sangiacomo Family Trust, Angelo Sangiacomo and Yvonne Sangiacomo, Co-Trustees
Lessee:	City and County of San Francisco, acting by and through the PUC
Rentable Square Footage:	30,790 rentable square feet
Amount:	$2,385,471
Source of Funds:	$221,734 from the PUC's FY 2003-2004 budget and $2,163,737 from the $16,719,301 pending supplemental appropriation request under (File No. 04-0094) of the Budget Analyst's March 24, 2004 report to the Finance and Audits Committee.
Rent Payable by the PUC to the Sangiacomo Family Trust:	$64,145.83 monthly (approximately $2.08 per square foot per month), or $769,750 annually ($25.00 per square foot). The rent would remain the same during the entire term of the four-year lease, and there would neither be any Consumer Price Index (CPI) adjustments nor any operating expense pass-throughs.

Term of the Proposed Lease: Four years, commencing upon the substantial completion of the leasehold improvements by the lessor. According to Mr. Jerry Romani of the Real Estate Division (RED), the estimated commencement date of the subject lease is May 1, 2004.

Option to Renew: Two five-year options (see Comment No. 9)

Utilities and Janitor Services: To be provided by lessor.

Leasehold Improvements: The proposed lease requires that the lessor complete the leasehold improvements prior to commencement of the lease at a total maximum cost of $1,094,008, of which $369,480 would be paid for by the lessor and a maximum of up to $724,528 would be funded by the PUC (see Comment Nos. 4 and 5). Attachment I, provided by Mr. Romani, contains a budget, source of funds, and scope of work for the leasehold improvements under the proposed lease. According to Mr. Romani, construction work is expected to begin in March of 2004 and be completed by May 1, 2004, at which time the subject lease would commence.

Description: The Public Utilities Commission (PUC) is currently leasing approximately 140,000 rentable square feet of space for administrative offices in the building located at 1155 Market Street, which is adjacent to the subject proposed facility at 1145 Market Street. Of the 140,000 rentable square feet of space at 1155 Market Street, approximately 48,318 rentable square feet of space, on the third, sixth, seventh, and ninth floors, is currently used to accommodate 274[1] PUC Water System Capital Improvement Project (CIP) staff positions. According to Mr. Harlan Kelly Jr. of the PUC, the PUC intends to lease space at 1145 Market Street in order to accommodate 89 additional Water System CIP staff persons, to be hired by the PUC (see Comment

[1] As stated on Page 2 of Attachment II provided by Mr. Harlan Kelly Jr. of the PUC, "Currently the CIP group occupies approximately 274 spaces at 1155 Market (212 Budgeted Filled Positions, 9 positions from other City Departments, 36 consultants and 17 student interns) in approximately 48,318 rentable square feet of space at 1155 Market Street, or an average of 176 rentable square feet per person." There is no space allocated for 77 existing PUC positions which are currently vacant, according to Mr. Kelly.

No. 1). As stated on Page 1 of Attachment II provided by Mr. Kelly, "Due to the time parameters and exacting conditions of the new CIP schedule, additional staff resources are needed which require the leasing of additional space to accommodate this increase in CIP staff." According to Mr. Kelly, under the proposed lease, the PUC would lease 30,790 rentable square feet of space in the building at 1145 Market Street at a rental cost of $64,145.83 monthly (approximately $2.08 per square foot), or $769,750 annually ($25.00 per square foot), to provide space for a total of 115 Water System CIP positions.

Comments:

Space Needs

1. As shown on Page 1 of Attachment II, the Water System CIP currently has (a) 289 budgeted positions consisting of 212 filled PUC positions and 77 vacant PUC positions, (b) nine positions from other City Departments, (c) 36 consultants, and (d) 17 student intern positions associated with the Water System CIP, for a total of 351 positions. Mr. Kelly reports that the PUC anticipates adding 12 new PUC positions, for a total of 363 positions in the Water System CIP. Mr. Kelly further reports that the PUC anticipates hiring an additional 89 staff persons to fill the 77 vacant positions and 12 new positions in the Water System CIP.

Mr. Kelly advises that of the 12 new positions, six will be included in the FY 2004-2005 budget and six are included in the supplemental appropriation as discussed in the Budget Analyst's March 24, 2004 report to the Finance and Audits Committee under Files 04-0094 and 04-0095. The Budget Analyst notes that of the six positions included in the supplemental appropriation, the Budget Analyst is recommending approval of only three positions (see Files 04-0094 and 04-0095).

Attachment III, provided by Mr. Kelly, provides further details about the (i) 212 filled PUC positions, (ii) 77 vacant PUC positions, (iii) 12 new PUC positions, (iv) 36 consultants, and (v) nine positions from other City Departments.[2] As shown in the table on Page 2 of Attachment II, the PUC anticipates accommodating

[2] Attachment III does not provide further information on the 17 student intern positions.

approximately 115 staff persons in the proposed subject leased space at 1145 Market Street out of the total anticipated staff of 363 positions. The remaining 248 staff persons would be located at 1155 Market Street, occupying 48,318 square feet of space, for a total of 363 Water System CIP staff persons to be located in both buildings. Currently, there are 274 Water System CIP positions now located at 1155 Market Street. According Mr. Kelly, the reason that there would only be 248 Water System CIP positions at 1155 Market Street if the proposed lease is approved, resulting in a reduction of 26 positions, or 9.5 percent, is because more square feet per employee is needed. The square footage per employee would increase from 176 square feet per person to 195 square feet per person.

2. As stated on Page 2 of Attachment II, the PUC currently accommodates approximately 274 Water System CIP staff persons at 1155 Market Street. Mr. Kelly reports that the 274 Water System CIP staff occupy approximately 48,318 rentable square feet of office space at 1155 Market Street, or an approximate average of 176 rentable square feet per CIP staff person. As shown in Attachment II, once the 77 vacant positions are filled and 12 new positions are hired, increasing the total Water System CIP staff to 363 persons, Mr. Kelly reports that:

- Approximately 248 Water System CIP staff persons, which is 26 staff persons less than the current 274 Water System CIP staff persons, will be accommodated in the approximately 48,318 square feet of office space at 1155 Market Street, or an average of 195 rentable square feet per CIP staff person.

- The remaining approximately 115 Water System CIP staff persons (total of 363 less 248) will be accommodated in the approximately 26,684 rentable

square feet of office space[3] at the proposed subject leased space at 1145 Market Street, or an average of 232 rentable square feet per CIP staff person.

As stated on Page 3 of Attachment II, "For comparison, the Real Estate Division reports that the Department of Public Works has approximately 250 rentable square feet per person for similar space usage at the leased facility at 30 Van Ness."

Attachment II explains that the average rentable square footage per person at 1145 Market Street will be greater than the average rentable square footage per person at 1155 Market Street because of different office and cubicle space configurations and different common area space needs.

The table below provides a summary comparison of (a) the current Water System CIP staffing and rental space under the existing lease at 1155 Market Street, and (b) the proposed staffing and rental space at 1155 Market Street and 1145 Market Street if the proposed lease at 1145 Market Street is approved by the Board of Supervisors.

	1145 Market St.	1155 Market St.
Current Occupied Space		
No. of Rentable Square Feet	-	48,318
Total Existing CIP Staff	-	274
Rentable Square Feet Per Employee	-	176 s.f.
Proposed Occupied Space		
No. of Rentable Square Feet	26,684	48,318
Total Proposed CIP Staff	115	248
Rentable Square Feet Per Employee	232 s.f.	195 s.f.

[3] According to Mr. Kelly, of the 30,790 rentable square feet of leased space at the proposed 1145 Market Street facility, 26,684 rentable square feet will be occupied by the Water System CIP staff consisting of 115 positions. The remaining 4,106 rentable square feet on the 4th floor will be occupied by the SFPUC Planning Division. Mr. Romani notes that the SFPUC Planning Division has been leasing approximately 4,837 rentable square feet on the 4th floor under a separate lease since April of 1996. If the subject proposed lease is approved by the Board of Supervisors, Mr. Kelly advises that 35 PUC Planning Division positions would occupy approximately 8,943 square feet of space (4,837 square feet plus 4,106 square feet), or approximately 256 square feet per person.

3. The Budget Analyst notes that, as shown in Attachment III, the PUC anticipates filling its 77 vacant positions and 12 new positions progressively from March of 2004 through June of 2005. Attachment V, provided by Mr. Kelly is a memorandum describing the justification for the space at both 1145 Market Street and 1155 Market Street.

Leasehold Improvements

4. The estimated total leasehold improvements cost of $1,094,008, consists of approximately $542,906 for tenant improvements, or approximately $17.63 per square foot, approximately $458,732 for 94 workstation units, or $4,880 each, and a maximum of $92,370 for architectural fees, as shown in Attachment I. Based on negotiations, the Lessor would pay $369,480 ("Allowance") in leasehold improvement costs, or 58.2 percent of the tenant improvements and architectural fees estimated to cost a total of $635,276 (excluding the $458,732 for workstation units). The City would reimburse the Lessor for any costs exceeding $369,480, up to $724,528, resulting in a total maximum cost of $1,094,008 in leasehold improvements ($369,480 plus $724,528). According to Ms. Hazel Brandt of the City Attorney's Office, under the provisions of the subject lease, in no event shall the City's share exceed $724,528.

5. As noted above, the subject lease agreement requires that the lessor complete the leasehold improvements. According to Ms. Brandt, under provisions of the subject lease, the lessor would prepare final plan specifications and pricing plans related to the tenant improvements, which are subject to the City's prior approval. Ms. Brandt advises that the lessor is obligated under the subject lease to construct the leasehold improvements in accordance with City approved construction documents.

Budget

6. Attachment IV, provided by Mr. Kelly, contains a budget and all funding sources for all costs associated with the subject lease, totaling $2,385,471. Mr. Kelly reports that of the $2,385,471 total cost, $221,734 would be from funds previously appropriated by the Board of Supervisors during

the FY 2003-2004 budget, and $2,163,737 would be funded from the $16,719,301 pending supplemental appropriation request under File 04-0094.

7. According to Mr. Kelly, the rent cost of $231,244, as shown in the Attachment IV budget, is based on estimated move-in dates that are staggered between February 1, 2004 and June 30, 2004. Mr. Romani advises that the subject lease for the entire 30,790 rentable square feet is expected to commence on May 1, 2004, if the tenant improvements are completed. Therefore, the Budget Analyst recommends reducing the rent cost from $231,244 to $128,292, or by $102,952 to reflect the estimated May 1, 2004 lease commencement date. The Budget Analyst's recommended rent cost of $128,292 for FY 2003-2004 is based on a monthly rent cost of $64,145.83 x two months of rent (May and June) in FY 2003-2004. This recommendation is reflected in the Budget Analyst's report in File 04-0094.

8. The budget contains $426,162 for the cost of furniture, which includes $39,765 to furnish five Manager's Offices, or $7,953 per Manager's Office, and $228,698 to furnish 41 Standard Offices, or $5,578 per Standard Office, as shown on Page 2 and 3 of Attachment IV. The Budget Analyst recommends reducing the cost of furniture by $107,451, from $426,162 to $318,711, to reflect a more reasonable estimate of such furniture costs. The Budget Analyst's recommended cost of furniture totaling $318,711 is based on estimates obtained online for comparable furniture. The estimates obtained online include (a) the cost of one manager's office desk at $947 versus the PUC's budgeted cost of $4,000, (b) the cost of one standard office lateral file cabinet at $326 versus the PUC's budgeted cost of $700, and (c) the cost of one manager's shelf at $129 versus the PUC's budgeted cost of $300. This recommendation is reflected in the Budget Analyst's report in File 04-0094.

Options to Renew

9. The proposed lease agreement includes two five-year options to renew the lease with all of the same provisions of the proposed subject lease agreement, with the exception of the rent. Mr. Romani advises that under the proposed lease, if the City chooses to exercise one or both of its two

five-year options to renew, the monthly rental payment would be 95 percent of the prevailing market rate, which would be determined by the lessor. However, if the City disputes the lessor's determination, the prevailing market rate would be determined by either the average of two independent appraisers, or by a third independent appraiser, to be retained by both parties.

Fair Market Value

10. Mr. Romani states in Attachment I that, "It is the opinion that considering all factors, the flat rent of $25 per square foot, which includes full services but does not contain any operating expense pass-throughs, represents fair market value."

Recommendation: Approve the proposed resolution.

City and County of San Francisco
Real Estate Division
Administrative Services Department

MEMORANDUM

March 9, 2004

TO: Leanne Nhan
Budget Analyst's Office

FROM: Jerry Romani
Principal Real Property Officer

SUBJECT: PUC Leasehold Improvement Budget/Tenant Improvement Cost Estimates for Lease at 1145 Market St., San Francisco

Source of Funds (Leasehold Improvement Work Budget)

Landlord's Allowance:	$369,480
City's Contribution:	$724,528
TOTAL	$1,094,008

Estimated Budget (Contractor's Cost Estimates for Leasehold Improvement Work)

Tenant Improvements:	$542,906
Workstations (94):	$458,732
Architectural Fees (max.)	$ 92,370
TOTAL	$1,094,008

Rent Cost

It is the opinion that considering all factors, the flat rent of $25 per square foot, which includes full services but does not contain any operating expense pass-throughs, represents fair market value.

(415) 554-9850
FAX: (415) 552-9216
Office of the Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, 94102

TENANT IMPROVEMENTS
1145 MARKET STREET - PUC FLOORS 1,4,8 and 10
BID PROPOSAL HARD COST BREAKDOWN

General Conditions	$	33,852
Demo	$	20,800
Carpentry	$	17,936
Millwork		NIC
Doors/Frms/Hardwre	$	23,155
Stone ceramic tile		NIC
Toilet Accessories		NIC
Glass and Glazing	$	9,425
Drywall	$	39,568
Acoustic Ceiling	$	12,382
Floor Covering	$	103,210
Painting /wallcovering	$	42,527
HVAC	$	22,470
Plumbing	$	6,678
Fire Protection	$	9,176
Electrical/Life safety	$	71,196
Final Clean	$	6,500
Permit Fees	$	8,500
Signage/keys/FEC	$	3,000
Blinds		NIC
TOTAL:	$	430,375
FEE (5%)	$	21,519
SUB TOTAL:	$	451,894
CONTINGENCY 10%	$	45,189
Code Change Orders*	$	45,823
GRAND TOTAL:	$	542,906

*Note: The Code Change Orders accounts for any escalating costs due to reasons such as increased building permit fees, any additional work required by City plan checkers or onsite inspectors not shown on the working drawings, possible relocation of existing HVAC ducts, sprinker heads, etc.

SFPUC SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Office of the Assistant General Manager, Infrastructure
1155 Market Street, 11th Floor, San Francisco, California 94103
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WATER
HETCH HETCHY
WATER & POWER
CLEAN WATER

Gavin Newsom
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Vice President

Commissioners:
Ann Moller Caen
Adam Werbach
Ryan L. Brooks

Patricia E. Martel
General Manager

Harlan L. Kelly, Jr.
Assistant General
Manager
Infrastructure

MEMORANDUM

TO: Leanne Nhan
Budget Analyst

DATE: March 8, 2004

FROM: Harlan L. Kelly, Jr.
Assistant General Manager

SUBJECT: CIP Support Costs: Increase in Office Space

Background:

The reorganization of the Infrastructure Division that manages the CIP is intended to make roles and responsibilities explicit, enhance organizational capacity, and foster cross-disciplinary interactions to increase and ensure staff productivity. The overall objective is to incorporate flexibility and agility into the organizational structure in order to meet the rapidly changing demands of a long-term, large-scale, multi-jurisdictional program such as the CIP. Due to the time parameters and exacting conditions of the new CIP schedule, additional staff resources are needed which require the leasing of additional space to accommodate this increase in CIP staff.

Staffing Budget:

With 289 budgeted positions, 62 consultants/students, and 12 new positions, SFPUC will need approximately 363 spaces to accommodate all positions as projected below.

PUC Budgeted Positions Filled	212	
PUC Budgeted Vacant Positions	77	
Total Budgeted Positions		289
Consultants	36	
Student Interns	17	
Staff from		
Other City Departments	9	
Subtotal		62
New Positions – Supplemental	6	
New Positions – FY 04-05 Budget	6	
Total New Positions		12
Total CIP Positions Projected		363

There are 36 consultants of which 5 consultants are involved in training and organizational development and 31 consultants provide the CIP with continued administrative, financial and system support. There are 9 staff persons from other City departments to provide administrative, financial and system support. There are 17 interns, 4 high school student interns from the Mayor's Office Project Pull program and 13 SFPUC student engineer interns.

At this time the staffing projections are based on current information on project schedules. SFPUC anticipates that the 77 vacant and 12 new positions will be filled by June 2005 given the approval of the 1145 Market St. lease and the timing of the City wide hiring process.

Increase in Office Space:

In September 2003 the SFPUC completed its consolidation of administrative staff from various locations into the office building at 1155 Market St. Currently the CIP group occupies approximately 274 spaces (212 Budgeted Filled Positions, 9 positions from other City Departments, 36 consultants and 17 student intern positions) in approximately 48,318 square feet of space at 1155 Market Street, or an average of 176 rentable square feet per person.

Since SFPUC staff occupies the entire building at 1155 Market St., it would be efficient to lease the available 30,790 square feet in the adjacent office building at 1145 Market St. to accommodate the hiring of the 77 vacant and 12 new positions. SFPUC is expecting that 248 spaces will be required at 1155 Market St. and 115 CIP spaces at 1145 Market, for a total of 363 spaces, as shown.

Based on expected full staffing date of June 30, 2005.

	1155 Market	1145 Market	Total
Budgeted Positions *	218	83	301
Consultants & Students	30	32	62
Total Spaces	248	115	363

Staffing at 1155 Market St.:
The technical divisions of the CIP (engineering, construction management and project management) are expected to remain in 1155 Market Street. The approximately 48,318 square feet of space divided by the required 248 spaces yields 195 rentable square feet per person.

Staffing at 1145 Market St.:
The administrative and program development and support divisions of the CIP are expected to relocate to 1145 Market from 1155 Market Street. Since SFPUC Planning Department will be occupying the 4th Floor at 1145 Market St., the 4th floor is not included in the analysis. The total square footage at 1145 Market St. is as follows:

Floor	Square Footage
1st	6,541
8th	11,305
10th	8,838
	26,684
4th	4,106
Total	**30,790**

The floors available to the CIP group include the 1st, 8th and 10th of which space will be needed for 115 positions consisting of 57 filled budgeted positions, 26 vacant budgeted positions and 32 consultants. Common space will also be required on each floor for a conference room, training room, reception area, break room and a storage room. The CIP group's 26,684 square feet (excluding the 4,106 square feet on 4th floor space occupied by the Planning Dept.) divided by the required 115 spaces yields approximately 232 square feet per person.

As noted, currently the CIP staff at 1155 Market St. occupies approximately 176 rentable square feet per person. For comparison, the Real Estate Division reports that the Department of Public Works has approximately 250 rentable square feet per person for similar space usage at the leased facility at 30 Van Ness Ave.

Below is a comparison of the average square foot per person at each building.

	Proposed at 1155 Market St.	**Proposed at 1145 Market St.**
Total Square Footage	48,318	26,684*
Total Employees	248	115
Average SF	195 sf	232 sf

*The positions and square footage in the table above
does not include the 4,106 sf space used by the PUC Planning Department.

Explanation of Difference in Square Footage between 1145 and 1155 Market:

1. There are approximately 30 and 35 built-in offices located at 1145 and 1155 Market St. respectively. Since there will be more cubicle spaces for the engineering staff at 1155 Market St. than at 1145 Market St., where the administrative and executive staff will be located, the square footage per person required at 1155 Market St. should be lower than 1145 Market St.
2. Contract administration and operations will be located at 1145 Market St. There will be larger conference rooms required to conduct the bidding meetings as well as additional storage for contract files. Additionally there will be a counter space serving as the reception area for the contracts department to meet with the public.
3. CIP Public Outreach and the Training Division will be located at 1145 Market St.. There will be conference rooms required to hold public meetings and training sessions.

List of Filled Positions

	Class	Title	Name
1	5166	AGM Infrastructure	Harlan Kelly Jr.
2	5189	Manager, UEB, PUC	Mike Quan (Acting)
3	0941	Manager VI	Carol Isen
4	0941	Manager VI	Jeet Bajwa
5	1372	Special Assistant XIII	Marge Layne
6	1404	Clerk	Abel Zamarripa
7	1404	Clerk	Delia Quintero
8	1404	Clerk	Isaac Tam
9	1404	Clerk	Joean Wright
10	1406	Sr. Clerk	Cesar Borja
11	1406	Sr. Clerk	Curtis Allen
12	1406	Sr. Clerk	Phyllis Porter
13	1406	Sr. Clerk	Tina Panziera
14	1406	Sr. Clerk	Wayne Ollila
15	1410	Chief Clerk	Sogra Kadir
16	1424	Clerk Typist	Jade Quach
17	1424	Clerk Typist	Karen Lim
18	1426	Sr. Clerk Typist	Ceres de la Paz
19	1426	Sr. Clerk Typist	Charlene De Dios
20	1426	Sr. Clerk Typist	Fay Deconinck
21	1426	Sr. Clerk Typist	Lisa Thomas
22	1426	Sr. Clerk Typist	Moni Vibal
23	1426	Sr. Clerk Typist	Peter Del Campo
24	1426	Sr. Clerk Typist	Roberta Boyd
25	1426	Sr. Clerk Typist	Trina Ramirez
26	1446	Secretary II	Angela Chan
27	1446	Secretary II	Connie Chang
28	1446	Secretary II	Connie Gruber
29	1446	Secretary II	Cynthia Dela Cruz
30	1446	Secretary II	Feli Delgado
31	1446	Secretary II	Judith Meyer
32	1446	Secretary II	Monica Menchini
33	1446	Secretary II	Pilar Salvador
34	1446	Secretary II	Shirley Simpliciano
35	1450	Exec Secretary I	Carmelita Navarro
36	1450	Exec Secretary I	Dibbie Yeung
37	1450	Exec Secretary I	Gigi Borromeo
38	1450	Exec Secretary I	Jenny Lee
39	1450	Exec Secretary I	LeeAnn Prifti
40	1450	Exec Secretary I	Marie Aure-Flierder
41	1450	Exec Secretary I	Nora Molina
42	1450	Exec Secretary I	Valencia Russell
43	1452	Exec Secretary II	Brenda Jones
44	1632	Sr. Account Clerk	Prince Hallowell
45	1632	Sr. Account Clerk	Wendy Huang
46	1634	Principal Account Clerk	Teresita Tina
47	1823	Sr. Admini Analyst	Al Padua
48	1823	Sr. Admini Analyst	Anna Wong
49	1823	Sr. Admini Analyst	Bert Felix
50	1823	Sr. Admini Analyst	David Deasy
51	1823	Sr. Admini Analyst	David Letterman
52	1823	Sr. Admini Analyst	Jim Howells
53	1823	Sr. Admini Analyst	Jon Winge
54	1823	Sr. Admini Analyst	Lee Okumoto
55	1823	Sr. Admini Analyst	Linda Denari
56	1823	Sr. Admini Analyst	Pauline Lam
57	1823	Sr. Admini Analyst	Rosiana Tamsil

List of Filled Positions

	Class	Title	Name
58	1824	Assistant To AGM	Edgar Porna
59	1824	Principal Admini. Analyst	Jan Darby
60	1824	Principal Admini. Analyst	Lourdes Cunanan
61	1827	Admini Services Manager	John Cretan
62	1844	Sr. Management Assistant	Diane Zagorites
63	1844	Sr. Management Assistant	Evangelina Lim
64	1844	Sr. Management Assistant	Joe Cowan
65	5133	Program Manager II	Wendy Iwata
66	5138	Program Manager I	Leonard Swanson
67	5162	Program Manager III	Boon Lim
68	5162	Program Manager III	Susan Yee (Acting)
69	5201	Jr. Engineer	Jack Lin
70	5201	Jr. Engineer	Jose Calle
71	5201	Jr. Engineer	Joseph Buitrago
72	5201	Jr. Engineer	Napoleon calimlim
73	5201	Jr. Engineer	Noreen Chan
74	5201	Jr. Engineer	Renee Rosario
75	5203	Assistant Engineer	Annie Li
76	5203	Assistant Engineer	Carol De Graca
77	5203	Assistant Engineer	Deidre Appel
78	5203	Assistant Engineer	Enriqusta Reyes
79	5203	Assistant Engineer	Ernie Barrientos
80	5203	Assistant Engineer	Garret Low
81	5203	Assistant Engineer	Jack Wu
82	5203	Assistant Engineer	Jean Botro
83	5203	Assistant Engineer	Jeanne Sum
84	5203	Assistant Engineer	Lawrence So
85	5203	Assistant Engineer	Sam Chan
86	5203	Assistant Engineer	Sarah Blain
87	5203	Assistant Engineer	Thomas Jung
88	5203	Assistant Engineer	Yoli Quisao
89	5207	Assoc. Engineer	Allen Lim
90	5207	Assoc. Engineer	Chiu Lui
91	5207	Assoc. Engineer	Duk-Soo Choi
92	5207	Assoc. Engineer	Eric Gee
93	5207	Assoc. Engineer	Ernie Ricardo
94	5207	Assoc. Engineer	Gino Grundy
95	5207	Assoc. Engineer	Henry Kwan
96	5207	Assoc. Engineer	Jaime Ramirez
97	5207	Assoc. Engineer	James Sakai
98	5207	Assoc. Engineer	Jeannie Mak
99	5207	Assoc. Engineer	Jeff Young
100	5207	Assoc. Engineer	Joseph Chan
101	5207	Assoc. Engineer	Kirit Bovishi
102	5207	Assoc. Engineer	Leroy Gullette
103	5207	Assoc. Engineer	Louis Schuman
104	5207	Assoc. Engineer	Mai Huan
105	5207	Assoc. Engineer	Manuel Rodriquez
106	5207	Assoc. Engineer	Mary Jim
107	5207	Assoc. Engineer	Michael Tennant
108	5207	Assoc. Engineer	On-Si Lam
109	5207	Assoc. Engineer	Paul Louie
110	5207	Assoc. Engineer	Pravin Shelat
111	5207	Assoc. Engineer	Ralph Leong
112	5207	Assoc. Engineer	Robert Tonjes
113	5207	Assoc. Engineer	Roger Tam
114	5207	Assoc. Engineer	Ron Yee

List of Filled Positions

	Class	Title	Name
115	5207	Assoc. Engineer	Santokh Kahlon
116	5207	Assoc. Engineer	Stephanie Wong
117	5207	Assoc. Engineer	Suzanne Melville
118	5207	Assoc. Engineer	Tedman Lee
119	5207	Assoc. Engineer	Vivian Chow
120	5207	Assoc. Engineer	Wilson Lew
121	5211	Sr. Engineer	Alan T. Wong
122	5211	Sr. Engineer	Allan Johanson (Acting)
123	5211	Sr. Engineer	Bijan Ahnadzadeh
124	5211	Sr. Engineer	Bill Melia
125	5211	Sr. Engineer	Carol Finucane
126	5211	Sr. Engineer	Carolyn Chiu
127	5211	Sr. Engineer	Ernie Tom
128	5211	Sr. Engineer	Fonda Davidis
129	5211	Sr. Engineer	Frank Mangold
130	5211	Sr. Engineer	Gilbert Tang
131	5211	Sr. Engineer	Hector Mau
132	5211	Sr. Engineer	John Hetzner
133	5211	Sr. Engineer	Luke Cheng
134	5211	Sr. Engineer	Mohammad Kohgadai
135	5211	Sr. Engineer	Patrick Lau
136	5211	Sr. Engineer	Saed Toloui
137	5212	Principal Engineer	Don Chan
138	5212	Principal Engineer	Kathy How
139	5212	Principal Engineer	Steve Maiolini
140	5241	Engineer	Abdi Abdirahman
141	5241	Engineer	Albert Eng
142	5241	Engineer	Albert Tom
143	5241	Engineer	Alice Yan
144	5241	Engineer	Angus Y I Chen
145	5241	Engineer	Art Bree
146	5241	Engineer	Barbara Palacios
147	5241	Engineer	Bill Wong
148	5241	Engineer	David Hung
149	5241	Engineer	David Quinones
150	5241	Engineer	Francis McCormick
151	5241	Engineer	Joe Haas
152	5241	Engineer	Kathleen Price
153	5241	Engineer	Kevin Barteaux
154	5241	Engineer	Kevin Costello
155	5241	Engineer	Mongkol Mahavongtrakul
156	5241	Engineer	Peter Cheng
157	5241	Engineer	Rizal Villareal
158	5241	Engineer	Romeo Rombawa
159	5241	Engineer	Ruperto Gonzales
160	5241	Engineer	Thomas Hull
161	5270	Sr. Architect	Jim Buker
162	5312	Survey Assistant II	Tom Checkowitz
163	5314	Survey Associate	D. Buck
164	5346	Mechanical Engineering Assoc. I	Fernando Delos Reyes
165	5346	Mechanical Engineering Assoc. I	Igor Gindin
166	5354	Electrical Engineering Assoc. I	James Fong
167	5354	Electrical Engineering Assoc. I	Jose Nuguid
168	5354	Electrical Engineering Assoc. I	May Shao
169	5362	Civil Engineering Assistant	Ping Ping Yuen
170	5362	Civil Engineering Assistant	Posee Cheung
171	5362	Civil Engineering Assistant	William Xie

List of Filled Positions

	Class	Title	Name
172	5364	Civil Engineering Assoc. I	Irene Yu
173	5364	Civil Engineering Assoc. I	Margarita McKinney
174	5364	Civil Engineering Assoc. I	Tracy Cheong
175	5366	Engineering Assoc. II	Lawrence Tom
176	5408	Coordinator of CIP Outreach	Lihmeei Leu
177	5502	Project Manager I	Bessie Tam
178	5502	Project Manager I	Bryan Dessaure
179	5502	Project Manager I	Johnny Wong
180	5502	Project Manager I	Ryan Cayabyab
181	5504	Project Manager II	Calvin Huey
182	5504	Project Manager II	Johnson Lim
183	5504	Project Manager II	Kate Read
184	5504	Project Manager II	Lota DeCastro
185	5504	Project Manager II	Tasso Mavroudis
186	5504	Project Manager II	Tracy Cael
187	5506	Project Manager III	Chris Nelson
188	5506	Project Manager III	Howard Fung
189	5506	Project Manager III	Johanna Wong
190	5506	Project Manager III	Manfred Wong
191	6318	Construction Inspector	Affredo Joves
192	6318	Construction Inspector	Allan Wong
193	6318	Construction Inspector	Arnold Galang
194	6318	Construction Inspector	Benjamin Leong
195	6318	Construction Inspector	Brian Roberts
196	6318	Construction Inspector	Carl Lee
197	6318	Construction Inspector	Carlos Grande
198	6318	Construction Inspector	Cosmo Tarantino
199	6318	Construction Inspector	Dinesh Chaudari
200	6318	Construction Inspector	Ed Pacero
201	6318	Construction Inspector	Gerry Fields
202	6318	Construction Inspector	Jerry Malone
203	6318	Construction Inspector	Jose Poncel
204	6318	Construction Inspector	Kay Lee
205	6318	Construction Inspector	Kirk Kuykendall
206	6318	Construction Inspector	Larry Olsen
207	6318	Construction Inspector	Ron Adams
208	6318	Construction Inspector	Tim Meagher
209	6318	Construction Inspector	Tim Parkan
210	6318	Construction Inspector	Tom Farnham
211	6318	Construction Inspector	Ward Wong
212	6318	Construction Inspector	Wyman Lee

List of Vacant and New Positions

	Class	Title	Name	Bureau	Expected Date of Hire
1	0922	Manager I	Vacant-Priority	CMB	Mar-04
2	0922	Manager I	Vacant-Priority	PMB	Apr-04
3	0942	Manager VII	Vacant-Priority	PDS	Apr-04
4	0933	Manager V	Vacant-Priority	PDS	Apr-04
5	2917	Program Support Analyst	Vacant-Priority *	AGM	Apr-04
6	2975	Citizens Complaint Officer	Vacant-Priority **	AGM	Apr-04
7	0942	Manager VII	Vacant-Priority	EDB	Apr-04
8	1452	Exec Secretary II	Vacant-Priority	AGM	Apr-04
9	1824	Principal Admini. Analyst	Vacant-Priority	IRM	Apr-04
10	0931	Manager III	Vacant-Priority	AGM	Apr-04
11	0942	Manager VII	Vacant-Priority	CMB	Apr-04
12	0933	Manager V	Vacant-Priority	IRM	Apr-04
13	0941	Manager VI	Vacant-Priority	IRM	Apr-04
14	0942	Manager VII	Vacant-Priority	PMB	Apr-04
15	5508	Project Manager IV	Vacant-Priority	PMB	Apr-04
16	5241	Engineer	Vacant-Priority	PDS	May-04
17	5203	Assistant Engineer	Vacant-Priority	PDS	May-04
18	5241	Engineer	Vacant-Priority	PDS	May-04
19	5207	Assoc. Engineer	Vacant-Priority	PMB	May-04
20	5241	Engineer	Vacant-Priority	PMB	May-04
21	5241	Engineer	Vacant-Priority	PMB	May-04
22	5201	Jr. Engineer	Vacant-Priority	EDB	Jun-04
23	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
24	5174	Administrative Engineer	Vacant-Priority	EDB	Jun-04
25	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
26	5211	Sr. Engineer	Vacant-Priority	EDB	Jun-04
27	5344	Mechanical Engineering Assistant	Vacant-Priority	EDB	Jun-04
28	5211	Sr. Engineer	Vacant-Priority	EDB	Jun-04
29	5201	Jr. Engineer	Vacant-Priority	EDB	Jun-04
30	5203	Assistant Engineer	Vacant-Priority	EDB	Jun-04
31	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
32	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
33	5364	Civil Engineering Assoc. I	Vacant-Hold	EDB	by Jun-05
34	5241	Engineer	Vacant-Hold	EDB	by Jun-05
35	5502	Project Manager I	Vacant-Hold	PMB	by Jun-05
36	5241	Engineer	Vacant-Hold	EDB	by Jun-05
37	5344	Mechanical Engineering Assistant	Vacant-Hold	EDB	by Jun-05
38	5203	Assistant Engineer	Vacant-Hold	PMB	by Jun-05
39	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
40	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
41	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
42	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
43	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
44	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
45	1426	Sr. Clerk Typist	Vacant-Hold	IRM	by Jun-05
46	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
47	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
48	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
49	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
50	5241	Engineer	Vacant-Hold	EDB	by Jun-05
51	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
52	1824	Principal Admini. Analyst	Vacant-Hold	PMB	by Jun-05
53	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
54	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
55	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05

List of Vacant and New Positions

	Class	Title	Name	Bureau	Expected Date of Hire
56	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
57	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
58	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
59	5241	Engineer	Vacant-Hold	EDB	by Jun-05
60	5241	Engineer	Vacant-Hold	EDB	by Jun-05
61	5268	Architect	Vacant-Hold	EDB	by Jun-05
62	5366	Engineering Assoc. II	Vacant-Hold	EDB	by Jun-05
63	5366	Engineering Assoc. II	Vacant-Hold	EDB	by Jun-05
64	5362	Civil Engineering Assistant	Vacant-Hold	EDB	by Jun-05
65	5504	Project Manager II	Vacant-Hold	PMB	by Jun-05
66	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
67	6318	Construction Inspector	Vacant-Hold	CMB	by Jun-05
68	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
69	5270	Sr. Architect	Vacant-Hold	EDB	by Jun-05
70	5241	Engineer	Vacant-Hold	EDB	by Jun-05
71	5241	Engineer	Vacant-Hold	EDB	by Jun-05
72	5241	Engineer	Vacant-Hold	PMB	by Jun-05
73	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
74	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
75	1452	Exec Secretary II	Vacant-Hold	AGM	by Jun-05
76	5211	Sr. Engineer	Vacant-Hold	CMB	by Jun-05
77	1824	Principal Admini. Analyst	Vacant-Hold	IRM	by Jun-05
1	0941	Manager VI	New -Sup Budget	AGM	Apr-04
2	0942	Manager VII	New -Sup Budget	CMB	Apr-04
3	5293	Planner IV	New -Sup Budget	PDS	Apr-04
4	5298	Planner III-Environmental Review	New -Sup Budget	PDS	Apr-04
5	5298	Planner III-Environmental Review	New -Sup Budget	PDS	Apr-04
6	5299	Planner IV-Environmental Review	New -Sup Budget	PDS	Apr-04
7	0941	Manager VI	New	PDS	Apr-04
8	0923	Manager II	New	IRM	Jul-04
9	9922	PSA-Assoc. to Professional	New	IRM	Jul-04
10	5602	Utility Specialist	New	PDS	Jul-04
11	5602	Utility Specialist	New	PDS	Jul-04
12	5602	Utility Specialist	New	PDS	Jul-04

List of Consultants

	Training/Org Development					
1	WIP	Phil Kohne	AGM			
2	WIP	Rosie Rios	AGM			
3	WIP	Ted Wisnia	AGM			
4	WIP	Vitaly Troyan	AGM			
5	WIP	Jessica Romm	AGM			
	CIP Support					
1	WIP	Alex Martinez	IRM			
2	WIP	Margaret Berry	IRM			
3	WIP	Deepalaxmi Rasaikar	PDS			
4	WIP	Dennis Johnson	PDS			
5	WIP	Fang Lee	PDS			
6	WIP	Jerome Hou	PDS			
7	WIP	John Marley	PDS			
8	WIP	Lora Bowman	PDS			
9	WIP	Mark Spomer	PDS			
10	WIP	Michael Kane	PDS			
11	WIP	Patrick Collins	PDS			
12	WIP	Rudy Geronimo	PDS			
13	WIP	Voge Ayran	PDS			
14	WIP	Charles Campbell	PMB			
15	WIP	Christine Uy	PMB			
16	WIP	Derrick Wong	PMB			
17	WIP	George Martinez	PMB			
18	WIP	Joe Hill	PMB			
19	WIP	Luann McVicker	PMB			
20	WIP	Susan Hou	PMB			
21	WIP	Tanya Yurovsky	PMB			
22	WMS	Donna Courington	PDS			
23	WMS	Margaret Weiland	PDS			
	WIP Support					
1	WIP	Paul Spickard				
2	WIP	Maggie Pinto				
3	WIP	Mylene Madarang				
4	WIP	Chris Martinez				
5	WIP	Les Tift				
6	WIP	Jeanne Marz				
7	WIP	Karineh Gregorian				
8	WIP	Lin Koh				
Total Consultants		36				
	*Five consultants would provid training and development services, and					
	31 consultants would provide administrative, financial and system support services.					

List of Positions from Other City Departments

1	Edgar Poma	DPW
2	Carmelita Navarro	DPW
3	Jennie Lee	DPW
4	Jim Buker	DPW
5	Jocelyn Quintos	DPW
6	Lourdes Nicomedes	DPW
7	Karen Watson	Airport
8	Anne Godfrey	Prop F
9	Don Munakata	Prop F

*To provide adminstrative, financial and system support.

SFPUC
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
OFFICE OF THE ASSISTANT GENERAL MANAGER, INFRASTRUCTURE
1155 Market Street, 11th Floor, San Francisco, CA 94103 • Tel.: (415) 554-0740 • Fax: (415) 554-2466 • TDD: (415) 554-4388

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ANN MOLLER CAEN
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PATRICIA E. MARTEL
GENERAL MANAGER

HARLAN L. KELLY, JR.
ASSISTANT GENERAL MANAGER,
INFRASTRUCTURE

Summary Budget (Projected Total Moving Costs)

Description	Amount	Funded from FY 03-04 Budget	Suppl Request
Rent	231,244		231,244
Remodeling & Cubicles	724,528		724,528
Computers & Monitors	235,200		235,200
Furniture	426,162		426,162
Other Equipment	92,000	92,000	0
Other Office Supplies	24,000		24,000
Other Materials & Supplies	25,229		25,229
Network Equipment	194,258	100,991	93,267
1155 Market	47,735		47,735
Telcom Eqpt & Wiring (DTIS)	306,372		306,372
Movers	28,743	28,743	0
Space Planning (DPW-BOA)	50,000		50,000
Projected Total Move Costs	**2,385,471**	**221,734**	**2,163,737**

Note: Of the total $2,385,471, funding of $221,734 will come from the current FY 03-04 operating budget with the remaining $2,163,737 being requested through this supplemental appropriation. The detail budget listing of the furniture, equipment, supplies and leasehold improvements is included in **Attachment E.**

Attachment F provides documentation on the leasehold improvements.

		1st Floor			4th Floor			8th Floor			10th Floor				Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Proposed occupants		24			15			46			31			116		
Rent *	6541Sq.Ft.	$25	67,719	4106 Sq.Ft.	$25	42,771	11305 S.q.Ft	$25	47,104	8838 Sq.Ft.	$25	73,650		231,244		
Remodeling and Cubicle Cost & Moving Cost			212,602			67,000			255,663			189,263		724,528		
Computers	2,450	24	58,800	2,450	15	36,750	2,450	26	63,700	2,450	31	75,950	96	235,200		
Managers Office																
Desk	4000	1	4,000	4000	1	4,000	4000	1	4,000	4,000	2	8,000	5	20,000		
Lateral File Cabinet	300	1	300	300	1	300	300	1	300	300	2	600	5	1,500		
Shelving	300	1	300	300	1	300	300	1	300	300	2	600	5	1,500		
Credenza	600	1	600	600	1	600	600	1	600	600	2	1,200	5	3,000		
Table	600	1	600	600	1	600	600	1	600	600	2	1,200	5	3,000		
Side Chairs	1000	1	1,000	1000	1	1,000	1000	1	1,000	1,000	2	2,000	5	5,000		
Shipping	150	1	150	150	1	150	150	1	150	150	2	300	5	750		
Ergonomic chairs	625	1	625	625	1	625	625	1	625	625	2	1,250	5	3,125		
Key Board Trays	185	1	185	185	1	185	185	1	185	185	2	370	5	925	38,800	
Floor Mat	38	1	38	38	1	38	38	1	38	38	2	76	5	190		
Office supplies	100	1	100	100	1	100	100	1	100	100	2	200	5	500		
Business Cards	30	1	30	30	1	30	30	1	30	30	2	60	5	150		
Office signs & name tags	25	1	25	25	1	25	25	1	25	25	2	50	5	125		966
Total	7,953	13	7,953	7,953	13	7,953	7,953	13	7,953	7,953	26	15,906		39,765		
Standard Office																
Desk			-	2,200	3	6,600	2,200	17	37,400	2,200	21	46,200	41	90,200		
Ergonomic chairs			-	275	3	825	275	17	4,675	275	21	5,775	41	11,275		
Lateral File Cabinet			-	700	3	2,100	700	17	11,900	700	21	14,700	41	28,700		
Shelving			-	175	3	525	175	17	2,975	175	21	3,675	41	7,175		
Credenza			-	600	3	1,800	600	17	10,200	600	21	12,600	41	24,600		
Table			-	600	3	1,800	600	17	10,200	600	21	12,600	41	24,600		
side Chairs			-	500	3	1,500	500	17	8,500	500	21	10,500	41	20,500		
Shipping			-	150	3	450	150	17	2,550	150	21	3,150	41	6,150		
Key Board Trays			-	185	3	555	185	17	3,145	185	21	3,885	41	7,585	220,785	
Floor Mat			-	38	3	114	38	17	646	38	21	798	41	1,558		
Office supplies			-	100	3	300	100	17	1,700	100	21	2,100	41	4,100		
Business Cards			-	30	3	90	30	17	510	30	21	630	41	1,230		
Office signs & name tags			-	25	3	75	25	17	425	25	21	525	41	1,025		7,913
Total			-			16,734			94,826			117,138		228,698		
Standard Cubicle																
Ergonomic chairs	275	23	6,325	275	11	3,025	275	8	2,200	275	8	2,200	50	13,750		
Key Board Trays	185	23	4,255	185	11	2,035	185	8	1,480	185	8	1,480	50	9,250	23,000	
Floor Mat	38	23	874	38	11	418	38	8	304	38	8	304	50	1,900		
Office supplies	75	23	1,725	75	11	825	75	8	600	75	8	600	50	3,750		
Business Cards	30	23	690	30	11	330	30	8	240	30	8	240	50	1,500		
Office signs & name tags	25	23	575	25	11	275	25	8	200	25	8	200	50	1,250		8,400
Total			14,444			6,908			5,024			5,024		31,400		

		1st Floor			4th Floor			8th Floor			10th Floor					Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Confrence Room																
Table	2000	1	2,000	9,000	1	9,000	9,000	1	9,000	9,000	1	9,000	4	29,000		
Chairs	15667	1	15,667	300	10	3,000	300	10	3,000	300	10	3,000	31	24,667		
Delivery	0		-	500	1	500	500	1	500	500	1	500	3	1,500	55,167	
Total			17,667			12,500			12,500			12,500		55,167		
War Room																
Table	3000	1	3,000			-			-			-	1	3,000		
Chairs - Conference	23500	1	23,500			-			-			-	1	23,500	26,500	
Total			26,500			-			-			-		26,500		
Entrance Hall/Waiting Area/Lobby																
Chairs	250	4	1,000			1,000			1,000			1,000	4	4,000		
End Table	245	2	490			490			490			490	2	1,960	5,960	
Total			1,490			1,490			1,490			1,490		5,960		
Break Room																
Refrigerator	600	0	-			-			-			-	-	-		
Microwave	500	0	-			-			-			-	-	-		
Tables (2)	325	2	650			-			650			650	2	1,950		
Chairs (8)	125	8	1,000			-			1,000			1,000	8	3,000	4,950	
Total			1,650			-			1,650			1,650		4,950		
Storage Room																
Shelves	100	5	500			500			500			500	5	2,000		
														-	2,000	
Total			500			500			500			500		2,000		
Other Equipment																
Fax Machine	1600	1	1,600	1600	1	1,600	1600	1	1,600	1600	-	-	3	4,800		4,800
Later File Cabinets	700	10	7,000	700	10	7,000	700	25	17,500	700	25	17,500	70	49,000	49,000	
Smartboard	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Printer - Personal	650	0	-	650	0	-	650	0	-	650	-	-	-	-		
Printer - High volume Color	8000	1	8,000	8000	1	8,000	8000	1	8,000	8000	-	8,000	3	32,000		
Printer - High volume B/W	7000	0	-	7000	0	-	7000	0	-	7000	-	-	-	-		
Printer - Plotter	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Copier - B/W	15000	1	15,000	15000	1	15,000	15000	1	15,000	15000	-	15,000	3	60,000		
Copier - Color	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Scanner	2000	0	-	2000	0	-	2000	0	-	2000	-	-	-	-		
Total			31,600			31,600			42,100			40,500		145,800		
Other Supplies																
Safety/Earthquake Supplies	6000	1	6,000	6000	1	6,000	6000	1	6,000	6000	1	6,000	4	24,000		
Office Signs - Conf. Room	450	4	1,800	450	1	450	450	1	450	450	1	450	7	3,150		
Total			7,800			6,450			6,450			6,450		27,150	426,162	22,079
Other Expenses																
Network Equipment			10,839			156,321			16,259			10,839		194,258		
Telecommunication Equipment			17,143			-			34,286					51,429		
Telecommunication Wiring			47,619			22,500			95,238			89,586		254,943	306,372	DTIS W/O
Movers			6,500			2,100			11,305			8,838		28,743		

		1st Floor			4th Floor			8th Floor			10th Floor				Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Total			82,101			180,921			157,088			109,263		529,373		
											Network Equipment-1155 Market			47,735		
											Space Planning-Boa			50,000		
Grand Total			530,826			411,577			696,048			649,284		2,385,471		

SFPUC

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 Market St., 11th Floor, San Francisco, CA 94103 • Tel. (415) 554-0740, Fax (415) 554-2400

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PATRICIA E. MARTEL
GENERAL MANAGER

HARLAN L. KELLY, JR.
ASSISTANT GENERAL
MANAGER,
INFRASTRUCTURE

MEMORANDUM

TO: Leanne Nhan
Budget Analyst

DATE: March 18, 2004

FROM: Harlan L. Kelly, Jr.

SUBJECT: Space Justification,
1145 & 1155 Market

In a memo to you regarding the proposed office space increase, the CIP group generally described the need for additional space to accommodate the anticipated increase in CIP staff. Subsequently, you requested explanation as to whether or not there will be periods of unoccupied space at either 1145 Market or 1155 Market during the term of the lease.

There are currently 300 work spaces on the 3rd, 6th, 7th and 9th floors at 1155 Market, occupied by 274 CIP employees and 26 SFPUC employees not directly working for the CIP. There will be approximately 115 CIP staff persons in the administrative and program development and support divisions of the CIP relocating to 1145 Market, where there will be an estimated 115 available CIP work spaces. As soon as this supplemental request is approved and leasehold improvements are completed, which is expected by May 2004, the CIP group anticipates full occupancy of the 115 work spaces at 1145 Market, with no unoccupied spaces.

The technical divisions of the CIP (engineering, construction management and project management) are expected to remain at 1155 Market. Concurrent with the move to 1145 Market, work will be done to increase and reconfigure the current cubicle spaces at 1155 Market to provide an estimated 240 work spaces (as estimated by DPW's Bureau of Architecture in the proposal dated January 5, 2004). By June 2004, SFPUC anticipates that of the 240 workspaces, 175 CIP staff persons, 30 consultants/students and the 26 SFPUC employees not directly working on the CIP will occupy 231 work spaces at 1155 Market. Therefore, the CIP group anticipates approximately 9 unoccupied work spaces at 1155 Market. However, as the remaining 43 vacant engineering positions are filled over the next 12 months, there will be full occupancy by June 2005 of the 240 spaces at 1155 Market. It is expected that as the 43 vacant positions are filled, consultants/interns will be required to share cubicles/offices.

The SFPUC critically needs space adjacent to 1155 Market Street for CIP staff. Space is available now at 1145 Market Street. According to the SFPUC Real Estate Division, if the SFPUC does not proceed with a lease for the entire space requirement, it will jeopardize its ability to lease the space it requires.

Please contact me if you need additional information. Thank you.

Item 6 - File 03-1640

Note: This item was continued by the Finance and Audits Committee at its meeting of March 10, 2004

Department: Airport Commission

Item: Resolution approving Amendment No. 1 to the (a) existing Concession Agreements and separate Lease Agreements for Rental Car Operations between the City and County of San Francisco, acting by and through its Airport Commission and Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc.; and (b) existing Lease Agreement for Rental Car Operations between the City and County of San Francisco acting by and through its Airport Commission and National Car Rental Systems, Inc[1].

Location: The Rental Car Center north of the North Terminal at the San Francisco International Airport.

Lessor: City and County of San Francisco by and through the Airport Commission.

Concession Agreements: The Board of Supervisors previously approved (File No. 98-411) Concession Agreements between the Airport and seven rental car companies including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, and Thrifty, for the five-year period from December 30, 1998 through December 29, 2003 and extended by the Airport, as provided for under the original Concession Agreements, for one five-year period from December 30, 2003 to December 29, 2008. The Concession Agreement between the Airport and National, as previously approved by the Board of Supervisors (File No. 98-411) for the same five-year period from December 30, 1998 through December 29, 2003 was terminated in November of 2002 (see Comment No. 1).

Lease Agreements: In addition to the Concession Agreements, the Board of Supervisors previously approved (File No. 98-411) Lease Agreements between the Airport and eight rental car

[1] ANC is the parent company of both Alamo Rent-a-Car and National Car Rental Systems, Inc.

companies including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, and Thrifty, for the five-year period from December 30, 1998 through December 29, 2003 and extended by the Airport, as provided for under the original Lease Agreements, for one five-year period from December 30, 2003 to December 29, 2008.

According to Mr. David Dunn of the Airport, the Concession Agreements pertain to the Concession Fees which are paid by the rental car companies to the Airport, based on the higher of the Minimum Annual Guarantee or the percentage of gross revenues (see below), while the Lease Agreements pertain to rents paid by the rental car companies to the Airport for the space occupied by each rental car company at the Airport's Rental Car Center.

Number of Square Feet:

As shown in Attachment I, provided by the Airport, the Lease Agreements provide for a total of 2,036,122 square feet. The Rental Car Center includes a five-story rental car garage, which accommodates 3,600 vehicles, a Quick Turnaround Area (QTA) where returned rental vehicles are cleaned and refueled (with a capacity for an additional 1,400 vehicles), and a surface storage area.

Term of Concession Agreements and Lease Agreements:

The Airport has exercised, effective December 30, 2003, its five-year option to extend the term under the provisions of the existing five-year Concession Agreements and separate Lease Agreements, effective from December 30, 2003 through December 29, 2008, after the initial five-year term of the Concession Agreements and Lease Agreements expired on December 29, 2003.

Right of Renewal:

None.

Purpose of Amendment No. 1:

The proposed Amendment No. 1 to the existing Concession Agreements and to the separate Lease Agreements, for the five-year period retroactive to December 30, 2003 through December 29, 2008, would (a) incorporate the requirements of the City's Minimum

Compensation Ordinance and Health Care Accountability Ordinance (MCO/HCAO), (b) reduce by ten percent the Minimum Annual Guarantee (MAG) under the Concession Agreements payable by the rental car companies to the Airport, (c) waive an increase in rent, under the Lease Agreements, payable by the rental car companies to the Airport (see Annual Rent Payable to the Airport below) and (d) adjust the threshold for abatement of the requirement to pay to the Airport the MAG during months of reduced deplaning passengers at the Airport, as further explained below.

Annual Concession Fees Payable to the Airport by the Rental Car Companies Under the Existing Concession Agreements and Under the Proposed Amendment No. 1 to the Concession Agreements:

As shown in Attachment I, provided by the Airport, under the existing Concession Agreements each of the rental car companies pays to the Airport an annual Concession Fee equal to the higher of either (a) ten percent of its annual gross revenues, or (b) a Minimum Annual Guarantee (MAG).

As shown in Attachment I, the proposed Amendment No. 1 to the Concession Agreements would reduce the MAG for each of the rental car companies by ten percent, or a total reduction of $2,254,700 from $22,546,998 to $20,292,298.

Amendment No. 1 would also change the "MAG abatement" provision of the Concession Agreements, which provides MAG relief to the rental car companies. Under the existing Concession Agreements, during any month in which the number of deplaning passengers at the Airport is less than 75 percent of deplaning passengers for the same calendar month in 1996, the MAG is abated, and for that month, the rental car companies would pay a Concession Fee equal to 10 percent of revenues regardless of whether that amount is

more than or less than the MAG. Amendment No. 1 would change this provision so that during any month in which the number of deplaning passengers at the Airport is less than 70 percent, instead of 75 percent, of deplaning passengers for the same calendar month in 1996, the MAG would be abated and for that month the rental car companies would pay a Concession Fee equal to ten percent of revenues. Attachment III, provided by the Airport, states that "[i]f this percentage [70 percent] were in place today, the savings to the City in MAG abatements for calendar year 2003 alone would have been $1,121,231," meaning the Airport would have realized increased Concession revenues of $1,121,231, than if the threshold were 75 percent.

Annual Rent Payable to the Airport By the Rental Car Companies Under the Exiting Lease Agreements and Under the Proposed Amendment No. 1 to the Lease Agreements

Attachment I, provided by the Airport, contains the annual rent payable by the rental car companies to the Airport for each rental car company under the existing Lease Agreements. According to Mr. Dunn, the "Structure Fee" in Attachment I is the rent paid by the rental car companies to the Airport for space within the building structure of the Rental Car Center, while the "Surface Fee" is the rent paid by the rental car companies to the Airport for space in the outside storage area of the Rental Car Center.

Under the original Lease Agreements the rents payable to the Airport were to be increased at the start of the five-year extension term based on the current market value of unimproved land in the vicinity of the Airport. Based on this provision of the original Lease Agreements, the annual rents would have increased by 4.2 percent effective December 30, 2003. However, under the proposed Amendment No. 1 to the Lease Agreements, the 4.2 percent rent increase during the five-year extension term would be waived.

According to Mr. Dunn, the reason for granting the rental car companies both a ten percent reduction in the Minimum Annual Guarantee (under the Concession Agreements) and a waiver of the 4.2 percent rent increase (under the Lease Agreements) is that this "would help to offset the costs incurred by complying with [the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance]."

As shown in the table below, if the scheduled 4.2 percent rent increase is waived, the rental car companies would not have to pay the Airport an additional $489,355 in rent ($12,043,390 less $11,554,035).

	Existing Rent (Annual)	Rent After Increase (Annual)	Rent Under Amendment No. 1 (Annual)
Alamo (ANC)	$1,867,136	$1,946,244	$1,867,136
National (ANC)	1,335,595	1,392,173	1,335,595
Avis	2,308,141	2,405,911	2,308,141
Budget	897,833	935,852	897,833
Dollar	858,703	895,077	858,703
Enterprise	291,564	303,921	291,564
Hertz	3,672,007	3,827,486	3,672,007
Thrifty	323,056	336,727	323,056
Total	$11,554,035	$12,043,390	$11,554,035

Attachment II, provided by the Airport, shows the gross revenues realized by each of the eight rental car companies as well as the details of the rents paid by the rental car companies to the Airport for the past five years. As shown in Attachment II, during the initial five-year term from December 30, 1998 through August of 2003, the rental car companies have paid to the Airport $136,712,785 in Concession Fees and $57,770,160 in rent, or a total of $194,482,945.

Utilities and Janitorial Services:

As explained by the Airport in Attachment IV, the rental car companies pay for the utilities and janitorial services at the Rental Car Center, except for janitorial services in the public lobby and public restrooms, which are provided by the Airport.

Minimum Compensation Ordinance (MCO)/ Health Care Accountability Ordinance (HCAO) Requirement:

The existing Concession Agreements and Lease Agreements with the seven rental car companies, and the Lease Agreement with National Rent-A-Car, do not require the rental car companies to comply with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance (MCO/HCAO), since these Concession Agreements and Lease Agreements were entered into prior to the adoption by the Board of Supervisors of those two ordinances. The proposed Amendment No. 1 to the Concession Agreements and Lease Agreements would require the rental car companies to comply with the MCO/HCAO ordinances during the five-year extension period of these Agreements, from December 30, 2003 through December 29, 2008.

Ms. Cathy Widener of the Airport provided the memorandum shown as Attachment V to this report, which contains information provided by the Office of Contract Administration as to the requirements of the MCO/HCAO ordinances.

As stated in Attachment IV, provided by the Airport, "[t]he Industry [i.e. the Rental Car Companies] unanimously agreed to comply with both ordinance[s] if the Airport 1) would keep the land portion of the rental rates at the current rates, and 2) reduce the current Minimum Annual Guarantees (MAGs) for each company by 10%."

Comments:

1. As previously noted, the proposed Amendment No. 1 to the Concession Agreements would reduce the Minimum Annual Guarantee payable to the Airport by each of the rental car companies by ten percent or a total of $2,254,700 in reduced revenues to the Airport. Also as previously noted, the rent increase that would be waived by the Airport under the proposed Amendment No. 1 to the Lease Agreements totals $489,355. Considering both of these two revenue reductions, the Airport reports in Attachment IV that "[o]ver the five-year period, this would reduce the MAGs by $11,273,500 and it would reduce the land rent by $2,445,000," resulting in reduced payments being made by the rental car companies to the Airport. The Budget Analyst notes that the actual rent increase that would be waived under the proposed Amendment No. 1 to the Lease Agreements over the five years is $2,446,775 ($489,355 times five) and not $2,445,000. Therefore, if this proposed resolution is approved, the total reduced payments to be made by the rental car companies to the Airport, over the five-year extension period retroactive to December 30, 2003 through December 29, 2008, is $13,720,275 ($11,273,500 plus $2,446,775). That amount of $13,720,275 would result in the Airport making reduced Annual Service Payments (15 percent of Concession revenues) to the City's General Fund by a total of $2,058,041, over the five-year period from December 30, 2003 through December 29, 2008, or an estimated General Fund revenue decrease of $411,608 annually over the five years. However, the $13,720,275 in reduced payments by the rental car companies to the Airport is based solely on the reduced MAG and waived rent increase. The adjustment to the "MAG abatement" threshold could partially offset that revenue reduction if it is applicable in a given year, which in calendar year 2003 would have produced $1,121,231 in additional revenue for the Airport, including $168,185 for the City's General Fund.

2. As stated in Attachment VI, provided by the Airport, "[a]t the time the agreements were awarded, the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance ('MCO/HCAO') did not exist. The City Attorney's Office has advised staff that, as a legal matter, the MCO/HCAO do not apply to the Airport's mere exercise of the option to extend the term,

unless the agreements are actually being amended or modified." Under the proposed Amendment No. 1, the Concession Agreements and Lease Agreements would incorporate the MCO/HCAO requirements, with which the rental car companies would be required to comply during the five-year option period (from December 30, 2003 through December 29, 2008). As noted in Attachment IV, provided by Mr. Dunn, based on data submitted by the rental car companies to the Airport, the rental car companies reported that their costs to comply with the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance would be between $14.5 million and $16.5 million, over the five-year option period, or between $2.9 million to $3.3 million annually.

The Budget Analyst previously reported to the Finance and Audits Committee, at its meeting of March 10, 2004, that the Airport had not prepared any written analysis as to the reasonableness or accuracy pertaining to the estimated reported costs of between approximately $14.5 million and $16.5 million, which, according to the rental car companies, would be incurred by the rental car companies in order to comply with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance. Therefore the Airport had not verified the cost estimates as reported by the rental car companies. Subsequently, on March 15, 2004, Mr. Pfeiffer and Mr. Dunn of the Airport reported the Airport's own estimate of the costs to be incurred by the rental car companies in order to comply with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance. This estimate as reported by the Airport was $2,459,054 annually. However, Mr. Pfeiffer and Mr. Dunn explained that the Airport's $2,459,054 annual estimate of the costs to be incurred by the rental car companies to comply with the two City ordinances was based on unverified data submitted by the rental car companies, including a survey made by the rental car companies as to the number of positions and the hourly rates of pay for lower-paid employees, most of whom work part time, and who do not receive wages and benefits in compliance with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance.

Mr. Pfeiffer has acknowledged to the Budget Analyst that the Airport: (a) has not verified either the rental car companies' number of employees or their actual wage rates; (b) has not verified whether or not such employees receive any health coverage; and, (c) has assumed that such employees work on average 1,040 hours annually, or approximately one-half time.

3. Unlike various other lease and concession agreements which provided rental relief, as previously approved by the Board of Supervisors and which were approved by the Board of Supervisors based on requests of the Airport lessees that the lessees needed rental relief because of 9/11, SARS, the war in Iraq and the resulting decrease in airline passenger traffic, this proposed request by the rental car companies is simply to obtain a rental reduction to compensate the rental car companies for the costs incurred if these companies were to comply with the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance. As previously noted, the rental car companies were not required to comply with the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance because their Concession and Lease Agreements were entered into prior to the adoption of these two ordinances by the Board of Supervisors.

Recommendation:

The Budget Analyst recognizes that it is a Board of Supervisors policy decision as to whether the rental car companies should now be required to implement the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance and to be paid for such compliance. However, in the professional judgment of the Budget Analyst, the Airport should first provide the necessary verified financial data to the Board of Supervisors.

Given the fact that the Airport has acknowledged that it has not independently verified the reported costs which the rental car companies would incur by complying with the City's Minimum Compensation Ordinance and the Health Care Accountability Ordinance, disapprove the proposed resolution, which would reduce the Concession Fees and rents payable by the rental car companies to the

Airport, by up to $13,720,275, retroactive from December 30, 2003 through December 29, 2008.

San Francisco International Airport

November 25, 2003

Attachment I
Page 1 of 3

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Mr. Harvey Rose
Office of the Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: Amendment #1 – Rental Car Lease Agreements and Concession Agreements Background

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR.
MAYOR
LARRY MAZZOLA
PRESIDENT
CARL E. STRUNSKY
VICE PRESIDENT
LINDA S. CRAYTON
CARYL ITO
ELEANOR JOHNS
JOHN L. MARTIN
AIRPORT DIRECTOR

The Airport Commission on March 3, 1997 awarded the agreements for rental car operations at the Airport. The term of each agreement was for five years, commencing with the opening of the Rental Car Center, with one five-year option exercisable under the same terms and conditions at the sole discretion of the Airport Commission. The Rental Car Center opened for business on December 30, 1998. Therefore, the first five-year term is due to expire on December 29, 2003, at 11:59 PM. The second five-year term will commence December 30, 2003 and expire December 29, 2008, at 11:59 PM.

The on-Airport Rental Car Companies operate at the Airport under two agreements: 1) the Lease Agreement and 2) the Concession Agreement. The Lease Agreement pertains to the space occupied by each company at the Rental Car Center. The Concession Agreement pertains to the Concession Fee paid to the Airport. This fee is based on a Company's gross revenues. Each company pays either a Minimum Annual Guarantee (MAG) or ten-percent (10%) of gross revenues, whichever is greater. The original MAG was determined for each company by its original bid. The highest bidder had the opportunity to select its counter and ready stall locations. The space allocated to each company is based on Market Share.

Attachment #1 reflects the current space occupied by each company and the annual rent paid for the space. It also shows the current rental rate versus a new rental rate reflecting the increase in the unimproved land portion of the facility. This increase will not occur, but will instead serve to help offset the costs incurred by the rental car companies to pay for additional benefits required by MCO/HCAO. (See attached.)

The current Minimum Annual Guarantee (MAG) for each company is listed in the table below:

	Current MAG	10% Reduction
ANC (Original Alamo MAG)	$3,751,000	$375,100
Avis	5,818,000	581,800
Budget	2,076,240	207,624
Dollar	1,650,000	165,000
Enterprise	501,641	50,164
Hertz	8,122,900	812,290
Thrifty	627,217	62,722
TOTAL	$22,546,998	$2,254,700

The current facility is approximately 2,117,380 square feet. The rental car facility has the capacity for 3,600 parked vehicles. The Quick Turn Around area (QTA) has the capacity for an additional 1,400 vehicles.

As a result of the 10% MAG reduction, the Airport could collect $11,273,500 less for the five-year option period. However, once passenger traffic returns to the 1999-2000 levels, the rental car companies will be paying 10% of gross revenues, which could be greater than the MAG. The MAG is recalculated annually. MAGs can go up or down, based on a company's gross revenues, but they can never drop below the original bid. The current MAGs represent the original bids for all the companies, except Enterprise and Thrifty.

Sincerely,

David I. Dunn
Sr. Principal Property Manager
Revenue Development

Attachment

cc: David Pfeiffer
Peter Nardoza

Rental Car Facility Rent Comparison

STRUCTURE FEE

Company	Square Feet	Original $8.00 per square foot	New $8.34 per square foot	Difference
ANC (Alamo)	210,173	$1,681,384.00	$1,752,842.82	$71,458.82
(National)	149,512	$1,196,096.00	$1,246,930.08	$50,834.08
Avis	257,672	$2,061,376.00	$2,148,984.48	$87,608.48
Budget	99,155	$793,240.00	$826,952.70	$33,712.70
Dollar	95,971	$767,768.00	$800,398.14	$32,630.14
Enterprise	33,221	$265,768.00	$277,063.14	$11,295.14
Hertz	404,079	$3,232,632.00	$3,370,018.86	$137,386.86
Thrifty	34,761	$278,088.00	$289,906.74	$11,818.74
TOTAL	1,284,544	$10,276,352.00	$10,713,096.96	$436,744.96

SURFACE FEE

Company	Square Feet	Original $1.70 per square foot	New $1.77 per square foot	Difference
ANC (Alamo)	109,266	$185,752.20	$193,400.82	$7,648.62
(National)	82,058	$139,498.60	$145,242.66	$5,744.06
Avis	145,156	$246,765.20	$256,926.12	$10,160.92
Budget	61,525	$104,592.50	$108,899.25	$4,306.75
Dollar	53,491	$90,934.70	$94,679.07	$3,744.37
Enterprise	15,174	$25,795.80	$26,857.98	$1,062.18
Hertz	258,456	$439,375.20	$457,467.12	$18,091.92
Thrifty	26,452	$44,968.40	$46,820.04	$1,851.64
TOTAL	751,578	$1,277,682.60	$1,330,293.06	$52,610.46

STRUCTURE AND SURFACE FEES COMBINED

	Total Square Feet	Total Original Fee Schedule	Total New Fee Schedule	Difference
ANC (Alamo)	319,439	$1,867,136.20	$1,946,243.64	$79,107.44
(National)	231,570	$1,335,594.60	$1,392,172.74	$56,578.14
Avis	402,828	$2,308,141.20	$2,405,910.60	$97,769.40
Budget	160,680	$897,832.50	$935,851.95	$38,019.45
Dollar	149,462	$858,702.70	$895,077.21	$36,374.51
Enterprise	48,395	$291,563.80	$303,921.12	$12,357.32
Hertz	662,535	$3,672,007.20	$3,827,485.98	$155,478.78
Thrifty	61,213	$323,056.40	$336,726.78	$13,670.38
TOTAL	2,036,122	$11,554,034.60	$12,043,390.02	$489,355.42

San Francisco International Airport

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November 5, 2003

Mr. Harvey Rose
Office of the Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: Amendment #1 – Five-Year Gross Revenues and Rents

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR.
MAYOR

LARRY MAZZOLA
PRESIDENT

MICHAEL S. STRUNSKY
VICE PRESIDENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT DIRECTOR

Dear Mr. Rose:

Attached for your review is a list of the rental car companies located at the facility at the Airport, listing the monthly gross revenues and rent per company for the past five years. Please note that the information for 2003 is only available through August 2003.

You will also notice that the revenues for National ceased in November 2002. ANC, the parent company for both the Alamo and National brands, filed Chapter 11 under bankruptcy protection in November 2001. Under this ruling the Court has the authority to allow the company in bankruptcy to assume or reject any or all or its agreements without the consent of the Airport. ANC chose to assume the Alamo Concession Agreement, which happened to be the greater of the two MAG amounts, and reject the National Concession Agreement. The ruling went into effect in November 2002. The gross revenues for both brands are reported by ANC under the original Alamo Concession Agreement. The result of ANC assuming both leases resulted in no facility rent loss by the Airport.

Sincerely,

David I. Dunn
Sr. Principal Property Manager
Revenue Development

Attachment

cc: David Pfeiffer
Peter Nardoza

COMPANY	1999	2000	2001	2002	2003	TOTAL
ALAMO						
GROSS REV	$ 40,301,986	$ 41,132,097	$ 28,210,751	$ 21,784,761	$ 23,784,817	$ 155,214,412
CONCESSION FEE	$ 4,411,879	$ 4,570,341	$ 3,942,370	$ 3,669,097	$ 2,795,696	$ 19,389,383
FACILITY RENT	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 1,867,136	$ 9,335,680.00
AVIS						
GROSS REV	$ 63,125,917	$ 67,862,021	$ 45,208,609	$ 43,018,038	$ 25,678,924	$ 244,893,509
CONCESSION FEE	$ 6,613,240	$ 6,995,156	$ 5,878,779	$ 5,877,571	$ 3,891,444	$ 29,256,190
FACILITY RENT	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 2,308,141	$ 11,540,705
BUDGET						
GROSS REV	$ 27,495,174	$ 32,897,443	$ 23,775,307	$ 19,228,024	$ 12,684,573	$ 116,080,521
CONCESSION FEE	$ 2,767,200	$ 3,296,660	$ 2,892,014	$ 2,447,420	$ 1,505,123	$ 12,908,417
FACILITY RENT	$ 897,832	$ 897,832	$ 897,832	$ 897,832	$ 897,832	$ 4,489,160
DOLLAR						
GROSS REV	$ 22,753,881	$ 22,856,891	$ 15,501,543	$ 15,176,148	$ 9,434,853	$ 85,723,316
CONCESSION FEE	$ 2,419,527	$ 2,425,137	$ 2,013,850	$ 1,876,610	$ 1,196,053	$ 9,931,187
FACILITY RENT	$ 858,702	$ 858,702	$ 858,702	$ 858,702	$ 858,702	$ 4,293,510
ENTERPRISE						
GROSS REV	$ 5,406,453	$ 6,103,654	$ 6,090,298	$ 5,901,667	$ 3,739,206	$ 27,241,278
CONCESSION FEE	$ 553,252	$ 610,366	$ 627,417	$ 602,817	$ 402,247	$ 2,796,099
FACILITY RENT	$ 291,564	$ 291,564	$ 291,564	$ 291,564	$ 291,564	$ 1,457,820
HERTZ						
GROSS REV	$ 100,786,221	$ 112,611,142	$ 83,225,155	$ 76,661,900	$ 46,197,995	$ 419,482,413
CONCESSION FEE	$ 10,104,996	$ 11,261,113	$ 9,769,012	$ 8,732,226	$ 5,579,543	$ 45,446,890
FACILITY RENT	$ 3,672,007	$ 3,672,007	$ 3,672,007	$ 3,672,007	$ 3,672,007	
NATIONAL						
GROSS REV	$ 34,627,987	$ 32,906,892	$ 24,049,066	$ 15,462,887	$ -	$ 107,046,832
CONCESSION FEE	$ 3,483,672	$ 3,407,051	$ 2,876,738	$ 2,365,085	$ -	$ 12,132,546
FACILITY RENT	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 1,335,594	$ 6,677,970
THRIFTY						
GROSS REV	$ 7,261,244	$ 8,010,235	$ 6,355,427	$ 7,379,031	$ 5,077,764	$ 34,083,701
CONCESSION FEE	$ 731,820	$ 809,765	$ 680,186	$ 759,076	$ 535,632	$ 3,516,479
FACILITY RENT	$ 323,056	$ 323,056	$ 323,056	$ 323,056	$ 323,056	$ 1,615,280
TOTAL						
GROSS REV	$ 301,758,863	$ 324,380,375	$ 232,416,156	$ 204,612,456	$ 174,167,766	$1,237,335,616
CONCESSION FEE	$ 31,085,586	$ 34,711,183	$ 28,680,366	$ 26,329,902	$ 15,905,748	$ 136,712,785
FACILITY RENT	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 11,554,032	$ 57,770,160

The revenues and rent for 2003 is only through August 2003
National's MAG was rejected in November 2002. National revenues are included in Alamo

San Francisco International Airport

Attachment III

November 13, 2003

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Mr. Harvey Rose
Office of the Budget Analyst
City & County of San Francisco
1390 Market Street, Room 1025
San Francisco, CA 94102

SUBJECT: Amendment #1 – Rental Car Leases/Agreements- MAG Abatement

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR.
MAYOR

LARRY MAZZOLA
PRESIDENT

MICHAEL S. STRUNSKY
VICE PRESIDENT

LINDA S. CRAYTON

CARYL ITO

ELEANOR JOHNS

JOHN L. MARTIN
AIRPORT DIRECTOR

As part of Amendment #1 of the Leases and Agreements, the rental car companies have agreed to a modification to the MAG adjustment mechanism. The Concession Agreements currently provide that the MAGs are abated whenever the number of deplaning passengers during the month is less than 75% of deplaning passengers for the same calendar month in the base year, which is 1996. Since the September 11th disaster, the MAGs have been abated ten times given the reduction in passengers. Staff has negotiated that this provision be amended to provide that the MAGs be abated when the number of deplaning passengers during the month is less than 70% of the number of deplaning passengers for the same calendar month in 1996. Only five out of the ten times the MAGs have been abated did the number of deplaning passengers drop below 70% of the same calendar month in 1996. If this percentage were in place today, the savings to the City in MAG abatements for calendar year 2003 alone would have been $1,121,231.

Approval of Amendment #1 to the rental car leases and agreements is critical to avoid such MAG abatements in the future.

Sincerely,

David I. Dunn
Senior Principal Property Manager

cc: Leo Fermin
David Pfeiffer
Peter Nardoza

San Francisco International Airport

November 18, 2003

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Mr. Harvey Rose
Office of the Budget Analyst
City & County of San Francisco
1390 Market Street, Room 1025
San Francisco, CA 94102

SUBJECT: Amendment #1 – Rental Car Leases/Agreements-Additional Information

Dear Mr. Rose:

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR. MAYOR
LARRY MAZZOLA PRESIDENT
MICHAEL S. STRUNSKY VICE PRESIDENT
LINDA S. CRAYTON
CARYL ITO
ELEANOR JOHNS
JOHN L. MARTIN AIRPORT DIRECTOR

As I previously stated in a letter dated October 31, 2003, Airport staff met with rental car industry representatives from the seven companies on several occasions prior to exercising the final Five-Year Option in order to get their agreement to comply with the Minimum Compensation Ordinance (MCO) and the Health Care Accountability Ordinance (HCAO). The Industry unanimously agreed to comply with both ordinance if the Airport 1) would keep the land portion of the rental rates at the current rates, and 2) reduce the current Minimum Annual Guarantees (MAGs) for each company by 10%. Under the current agreement, the City could adjust the land value portion of the rental rates to reflect the then-current market value of unimproved land in the vicinity of the Airport. Staff calculated the collective increase to be approximately $489,000. The combination of these two items would assist the rental car companies in offsetting costs incurred by the compliance of the Ordinances.

The annual cost estimate to comply with MCO/HCAO received from each company is listed in the table below:

ANC[1]	Between $263,000 and $424,000
Avis[2]	Between $440,000 and $500,000
Budget	See Avis
Dollar[3]	$213,000
Enterprise	Between $78,000 and $85,000
Hertz	$2.1 million
Thrifty	See Dollar
TOTAL	Between $2.9 million and $3.3 million

[1] Original Alamo MAG
[2] Combined with Budget because both companies are owned by Cendant
[3] Combined with Thrifty under the DTAG Group

The costs listed above are only estimates. The actual costs will not be determined until after the first year of compliance.

In a previous letter dated November 12, 2003, I summarized the 10% reduction in current MAGs to be $2,254,700. This, accompanied with no increase to land rent equals approximately $2,743,700 annually, which would help to offset the costs incurred by complying with MCO/HCAO. Over the five-year option period, this would reduce the MAGs by $11,273,500 and it would reduce the land rent by $2,445,000. However, all companies would comply fully with MCO/HCAO. The cost incurred by the rental car companies for this compliance over the same five- year period is approximately $14.5 million and $16.5 million.

The rental car companies pay for all the utilities they use at the Facility. They are also responsible for all janitorial costs related to their tenant leasehold space. As is standard practice in all Airport Terminal areas, the Airport custodians clean the public lobby area and the public restrooms.

Sincerely,

David J. Dunn
Sr. Principal Property Manager
Revenue Development

cc: Leo Fernin
David Pfeiffer
Peter Nardoza

To: Budget Analysts Office
Fr: Cathy Widener, SFO Governmental Affairs
RE: Concession and Lease Agreements for Rental Car Operations
MCO/HCAO Requirements

Per you request for information regarding the MCO and HCO requirements triggered by the Rental Car Center Lease modification, please find information below taken directly from the Office of Contract Administration website (http://www.ci.sf.ca.us/oca/lwlh.htm).

The Office of Contract Administration monitors these programs for the City. *Please be advised that this information should not be attributed to me, but to the Office of Contract Administration.*

Minimum Compensation Ordinance (MCO) shall consist of the following:

Hourly gross compensation in the amount of nine dollars ($9.00) per hour.

In no less than twelve (12) nor more than eighteen (18) months from the Effective Date, the City shall increase the hourly gross compensation to ten dollars ($10.00) per hour; provided, however, that in the case of Nonprofit Corporations and public entities, this adjustment shall only be made if the Joint Report issued by the Controller, Mayor's Budget Office, and Budget Analyst, pursuant to San Francisco Administrative Code Section 3.6 finds that the City has sufficient funds to pay the anticipated costs of the adjustment. A finding of "sufficient funds" shall mean that the City will not be required to reduce services in order to pay the anticipated costs of the adjustment.

For each of the next three (3) years after the adjustment provided in Subsection (a)(ii) is made, at annual intervals, the City shall make an additional adjustment of 2.5%.

The requirements of this Chapter shall apply to a written agreement (including, without limitation, any lease, concession, franchise or easement agreement) for the exclusive use of real property that is owned by the City or of which the City has exclusive use, if such property is under the jurisdiction of the San Francisco Airport Commission and the term of the agreement exceeds twenty-nine (29) days in any calendar year, whether by single or cumulative instruments. If cumulative instruments cause the term of the agreement to exceed twenty-nine (29) days, the agreement in question shall be subject to this Article only on and after the effective date of the instrument which causes the term to exceed twenty-nine (29) days. The requirements of this Chapter shall also apply to (i) any sublease or other agreement allowing other parties the exclusive right to occupy or use all or any portion of the property covered by the agreement and (ii) any agreement between a tenant or

subtenant and any other person or entity to perform services on the airport property. Contractors who have agreements covered by this Section shall comply with the requirements of this Chapter insofar as they have "Covered Employees." For purposes of this Section, "Covered Employee" shall mean an employee who provides at least ten (10) hours of work on the property that is the subject of the agreement in a two-week Pay Period, adjusted proportionately if the Pay Period is other than two weeks. Notwithstanding the provisions of this Section, all exemptions and waivers from the requirements of this Chapter that apply to Contracts shall also apply to agreements for the use of airport property described in this Section, except for the exemption in Subsection (xvii) relating to property contracts). Except as otherwise specifically provided, all requirements of this Chapter, and the monitoring and enforcement mechanisms provided in this Chapter, shall apply to agreements covered by this Section.

Health Care Accountability Ordinance (HCAO):

With respect to each Covered Employee who either resides in San Francisco (regardless of where the Covered Employee provides services) or provides services covered by this Chapter in San Francisco, each Contracting Party shall do one of the following, at the Contracting Party's option:

(1) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the Health Director and approved by the Health Commission. The minimum standards shall provide for a maximum period for each Covered Employee's health benefits to become effective, not to exceed 30 days from the start of employment on a covered Contract, Subcontract, Lease or Sublease. The Health Commission shall review such standards every two years to ensure that the standards stay current with State and Federal regulations and existing health benefits practices; or

(2) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in Section 12Q.2.9(a) (definition of "Covered Employee"), pay to the City $1.50 per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed $60 in any Week. The City shall appropriate money received pursuant to this Subsection (a)(2) for the use of the Department of Public Health. The Department of Public Health shall use the monies appropriated for staffing and other resources to provide medical care for the uninsured. The Health Commission may increase this hourly rate and Weekly maximum in accordance with the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or such other factors as the Health Commission finds appropriate; provided, however, the Health Commission shall take this action no more than once a year and any adjustments in such hourly rate or Weekly

maximum must be approved by the Board of Supervisors by resolution; or

(3) Participate in a health benefits program developed by the Health Director in consultation with the Agency. The Health Director shall obtain Health Commission approval of the program before implementing it. The Health Director shall seek such approval within twelve (12) months after this Chapter is finally approved. Prior to implementation of the health benefits program provided in this Subsection (a)(3), each Contracting Party shall comply with Subsection (a)(1) or (a)(2). After the Health Director implements the program, in addition to the options provided in Subsections (a)(1) and (a)(2), Contracting Parties may satisfy their obligations under this Chapter by complying with the requirements of the health benefits program. In developing the program, the Health Director shall (i) attempt to make health coverage available for uninsured Covered Employees and, if feasible, other uninsured City residents; (ii) use public health facilities to the maximum extent practicable; (iii) make the program economically viable; and (iv) provide a mechanism for funding which relies, as much as possible, on contributions by participating employers and employees.

MEMORANDUM

August 14, 2003

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TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Michael S. Strunsky, Vice President
Hon. Linda S. Crayton
Hon. Caryl Ito
Hon. Eleanor Johns

FROM: Airport Director

SUBJECT: Rental Car Operations at San Francisco International Airport
Amendment to Concession Agreements and Lease Agreements

DIRECTOR'S RECOMMENDATION: APPROVE AMENDMENT NO. 1 TO CONCESSION AGREEMENTS AND LEASE AGREEMENTS FOR RENTAL CAR OPERATIONS AT SAN FRANCISCO INTERNATIONAL AIRPORT

Executive Summary

On May 12, 2003, the Commission exercised the five-year option on the rental car leases, which currently do not contain City requirements regarding the Minimum Compensation Ordinance and Health Care Accountability Ordinance ("MCO/HCO"). The attached resolutions incorporate MCO/HCO requirements, waive the land rent adjustment, reduce the Minimum Annual Guarantee ("MAG") by 10%, and adjust the MAG abatement trigger.

Background

By Resolution Nos. 97-0052 through Resolution Nos. 97-0059, the Commission awarded eight (8) Concession Agreements and Lease Agreements for Rental Car Operations at the San Francisco International Airport to Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National and Thrifty.[1]

Under the Concession Agreements, each of the rental car companies pays to the Airport an annual Concession Fee equal to the higher of ten percent (10%) of its annual gross revenues and a Minimum Annual Guarantee. Under the Lease Agreements, the rental car companies pay rent based on the value of the land and cost recovery of the facility. The base term was

[1] As part of the Alamo/National bankruptcy, the National Concession Agreement has since been terminated.

five years, commencing December 30, 1998, and the Commission has one five-year option to extend the term, exercisable at the sole discretion of the Commission. The Lease Agreements provide that the land value portion of the rent is adjusted to market value if the Airport exercises the term extension option.

By Airport Commission Resolution No. 03-0075, the Commission exercised the Airport's option to extend the term of the agreements for an additional five-year period. The option period is scheduled to commence December 30, 2003.

At the time the agreements were awarded, the City's Minimum Compensation Ordinance and Health Care Accountability Ordinance ("MCO/HCAO") did not exist. The City Attorney's Office has advised staff that, as a legal matter, the MCO/HCAO do not apply to the Airport's mere exercise of the option to extend the term, unless the agreements are actually being amended or modified. The City desires to have the rental car companies comply with MCO/HCAO, so staff met with the rental car companies to discuss their compliance with these ordinances.

Proposal

Given the City's desire to require MCO/HCAO compliance, the rental car companies and staff have negotiated an amendment to the agreements summarized as follows:

1) MAG Reduction. To offset the financial costs of compliance with these Ordinances, the rental car companies requested a ten-percent (10%) reduction of their current MAGs. The current Minimum Annual Guarantee (MAG) for each company is listed in the table below:

ANC*	$	3,751,000
Avis	$	5,818,000
Budget	$	2,076,240
Dollar	$	1,650,000
Enterprise	$	501,641
Hertz	$	8,122,900
Thrifty	$	627,217
TOTAL	$	22,546,998

*Original Alamo MAG

2) No Adjustment to Lease Rent. The rental car companies also requested that the rental rates at the Facility remain at the current rental rates. With the MAG reduction and no increase to the rental rates, the rental car companies could offset their costs of compliance with the Ordinances.

3) Adjustment to Minimum Annual Guarantee Abatement Mechanism. The Concession Agreements currently provide that the MAGs are abated whenever the number of deplaning passengers during the month is less than 75% of the number of deplaning

passengers for the same calendar month in 1996. Since the September 11th disaster, the MAGs have been abated nine times given the reduction in passengers. Staff has negotiated that this provision be amended to provide that the MAG be abated when the number of deplaning passengers during the month is less than 70% of the number of deplaning passengers for the same calendar month in 1996.

4) MCO/HCAO. The rental car companies will comply with the MCO/HCAO.

Recommendation

I, therefore, recommend the approval of the Amendment No. 1 to Concession Agreements and Lease Agreements.

John L. Martin
Airport Director

Prepared by: Leo Fermin

Item 7 - File 03-1960

Note: This report reflects the Amendment to the Whole adopted by the Finance and Audits Committee at its meeting on March 10, 2004.

Department: Taxi Commission

Item: Ordinance amending Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations.

Description: Currently, Article 16 of the Police Code includes a list of infractions and the corresponding fine amounts for such infractions for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Farell Suslow of the Police Department, citations for such violations are issued by the Police Department's Taxi Detail. According to Mr. Tom Owen of the City Attorney's Office, an infraction is the lowest category of a criminal offense. Mr. Owen states that citations for infractions are issued by police officers and the violations are prosecuted by the District Attorney.

Currently, there are fine amounts for such infractions which Mr. Owen states can only be imposed by the Courts. However, there are no administrative penalties

for violations committed by Taxicab permit holders of the Taxi Commission's rules and regulations. According to Mr. Owen, an administrative penalty is a fine or monetary penalty levied directly by an administrative agency pursuant to authorizing legislation.

The proposed ordinance would amend Article 16 of the Police Code by adding Sections 1186, 1187, and 1188 to authorize the Taxi Commission to impose administrative penalties for violations committed by Taxicab permit holders instead of assessing the existing fine amounts for infractions set by the Courts. Ms. Naomi Little, Executive Director of the Taxi Commission, advises that the proposed administrative penalty amounts have been set at the same level as the existing infraction fine amounts for violations committed by taxicab permit holders of the Taxi Commission's rules and regulations. According to Ms. Little, the existing fine amounts range from a low of $25 to a high of $250 for the first violation.

Currently, Article 16 of the Police Code and Appendix 6 of the Administrative Code allows the Taxi Commission to suspend or revoke a taxicab permit if the taxicab permit holder violates the full-time driving requirement. In accordance with these Codes, taxicab permit holders are required to be "full-time drivers," which is defined as the operation of the taxi at least four hours during any 24-hour period on at least four hours during any 24-hour period on at least 75 percent of the business days during the calendar year. Taxicab permit holders may lease their Taxicab permits, at any rate they choose, to other drivers for the remaining time when the permit holder is not driving his or her taxicab. According to Mr. Owen, the District Attorney may prosecute violations committed by taxicab permit holders of the full-time driving requirement. However, there are neither fine amounts assessed for infractions nor administrative penalty amounts with respect to violations of the full-time driving requirement committed by taxicab permit holders.

The proposed ordinance would establish an administrative penalty amount for violations of the full-time driving requirement. The penalty amount could not exceed 0.5 times any lease fees charged by the taxicab

permit holder to the other drivers who lease their taxicabs.

The proposed new Sections 1186, 1187, and 1188 to Article 16 of the Police Code would also:

- Establish procedures for the imposition of the new administrative penalties, such that the Executive Director notifies the taxicab permit holders in writing of the violation and appoints a Hearing Officer from a list approved by the Taxi Commission. The Hearing Officer would recommend the amount of the administrative penalty and submit that recommendation in writing to the Taxi Commission. The Taxi Commission may adopt, modify, or deny the Hearing Officer's recommendations, including the recommended penalty amounts, by a simple majority vote. According to Mr. Owen, taxicab permit holders charged with criminal violations are afforded due process through the Courts, whereas, taxicab permit holders charged with administrative violations would be afforded due process through an administrative proceeding.

- Authorize the Taxi Commission to collect administrative penalties, and authorize the Taxi Commission to suspend or revoke the permit of the Taxicab permit holders, if the administrative penalty is unpaid after 30 days of the notice of the violation. Currently, the Superior Court collects the fines for cited infractions and issues a warrant for arrest for unpaid fines. Mr. Owen notes that by statute, the City must split any criminal fines collected for infractions with the State, but the City would retain all of the revenues generated from the collection of administrative penalties.

- Prohibit the Taxi Commission from imposing administrative penalties for violations of the full-time driving requirement (a) if the permit holder is at least 65 years of age during the calendar year when the violation was alleged to have occurred and had driven a taxicab in San Francisco for at least 25 years, or (b) if the taxicab permit holder is disabled and his or her

failure to fulfill the full-time driving requirement was due to that disability.

Comments:

1. According to Ms. Little, the intent of the proposed ordinance is to assess administrative penalties on taxicab permit holders who commit violations of the Taxi Commission's Rules and Regulations, in addition to existing infraction penalties which are assessed for such violations, and to assess a penalty for violations of the full-time driving requirement. Ms. Little advises that the District Attorney, in the past, has not fully prosecuted taxicab permit holders who commit such violations. Ms. Little advises that in FY 2002-2003, the Police Department's Taxi Detail issued 34 citations, totaling $2,525 in fines. As of the writing of this report, Ms. Little does not know how much of the $2,525 of fines were paid.

2. According to Ms. Little, and as described in the Attachment, "The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures (with their attendant costs and burdening the courts). Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes."

3. According to Ms. Little, the existing authority of the Taxi Commission to suspend or revoke the permits issued to taxicab holders for violations of the full-time driving requirement is too stringent because such citations impact the taxicab permit holder's livelihood. As described in the Attachment to this report, provided by Ms. Little, "when the Commission believes suspension or revocation is harsh, but needs to discipline the taxicab permit holder, the Commission should be able to impose administrative penalties."

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to the Finance and Audits Committee
March 24, 2004 Finance and Audits Committee Meeting

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Ammiano
Clerk of the Board
Controller
Katie Petrucione
Ted Lakey

CITY AND COUNTY OF
SAN FRANCISCO

TAXI COMMISSION
MAYOR GAVIN C. NEWSOM

ARTHUR JACKSON, PRESIDENT
PAUL GILLESPIE, VICE PRESIDENT
JACK BARRY, COMMISSIONER
PATRICIA BRESLIN, COMMISSIONER
MARY McGUIRE, COMMISSIONER
MIN PAEK, COMMISSIONER
MARTIN SMITH, COMMISSIONER

NAOMI M. LITTLE, EXECUTIVE DIRECTOR

MEMORANDUM

TO: HARVEY ROSE
BUDGET ANALYST

FROM: NAOMI LITTLE

DATE: March 11, 2004

SUBJECT: TAXI COMMISSION ADMINISTRATIVE PENALTIES

There are currently 7,500 taxicab drivers, 1,381 taxicab permits, 30 color schemes and 10 dispatch companies. Taxicab permitholders[1] are required to keep their taxicabs in continual operation. A three-layer system exists in San Francisco. When a permitholder is not driving, the permitholder leases his or her medallion to non-medallion drivers through color scheme holders.[2] The permitholder is paid a lease fee by the color scheme, and in turn, the color scheme charges the taxicab driver[3] a gate fee for the use of the vehicle for the day. All meter fare income goes directly to the driver.

The Taxi Commission ("Commission") has pending 105 full-time driving requirement investigations. Additionally, the Commission is performing comprehensive audits of the color schemes and dispatches.

Existing Rules and Regulations, Citation, Enforcement and Fine Collection

Section 1187. Commission Rules and Regulations; Violations; Administrative Penalties.

Currently, under Municipal Police Code § 1185, violations of Article 16 of the Municipal Police Code, which includes Taxi Commission rules and regulations, are chargeable by the District Attorney as an infraction. The Police Department's Taxi Detail issues these citations. In Board of Supervisor Ordinance 106-99, the Board amended the Police Code to make violations of the Taxi Commission's Rules and Regulations an infraction by

[1] "Permit holders" are also referred as "medallion holders." A medallion holder is any permittee licensed by the City to own and operate a taxicab.
[2] "Color scheme holders" are permittees licensed by the City to operate a taxicab color scheme. The phrase "Color Scheme Holder," "Taxicab Company" and "Taxi Company" may be used interchangeably.
[3] "Taxicab Drivers" are non-medallion holders. A taxicab driver is a permitee licensed by the City to drive on behalf of the medallion holder.

1 Dr. Carlton B. Goodlett Place, Room 448, San Francisco, CA 94102
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establishing fines, and outlining the degree of fines levied for violations of the Taxi Commission Rules.

Existing Rules and Under Municipal Police Code § 1090, the Taxi Commission only has the power to suspend or revoke a permit for good cause after a noticed hearing. Good cause includes violating the full-time driving requirement, failure to pay a permit fee, operating without insurance, being convicted of a crime involving moral turpitude, failure to satisfy a judgment for damages arising out of negligent operation, violation of the Municipal Traffic Code or California Vehicle Code, and any other applicable statute, ordinance, rule or regulation pertaining to the licensing of taxi permits.

Currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment.

Role of the SFPD Taxi Detail:

The Police Department oversees criminal enforcement the Taxi Commission Rules and Regulations and the Full-Time Driving Requirements. This includes street enforcement, local or state law violation complaints, and lost property recovery. Street enforcement entails monitoring taxicabs on the street to determine whether the driver is carrying his or her A-card (i.e. driver's permit card), identification badge and to ensure the taxicab is in compliance with the California Vehicle Code, the Municipal Police Code and the Taxicab Commission's Rules and Regulations. The Taxi Detail additionally performs Proposition K, Color Scheme and Dispatch Audits for the Taxi Commission.

For fiscal year 2002-03 the SFPD Taxi Detail issued 34 citations containing a total of 42 violations as follows:

23 violations for $25	=	$ 575.00
16 violations for 75	=	1,200.00
3 violations for 250	=	750.00
Total	=	$2,525.00

This process was not fully operational throughout the entire fiscal year. The Taxi Detail wanted to issue more infraction citations than they were allowed because the Superior Court had not approved all of the infraction penalties for the Taxi Commission Rules & Regulations. Even though the Board of Supervisors and Taxi Commission approved the infraction penalties, the infraction penalties are subject to Superior Court approval.

Also, infraction citations are not forwarded to the DA's office. They are submitted directly to the Superior Courts. They are handled the same as traffic tickets. Cases that would be cited as misdemeanors do go to the DA's office.

Problems with Existing Citation, Enforcement and Fine Collection Procedures

In performing audits each year, the Taxi Commission is finding that color schemes are continuing to violate certain Taxi Commission Rules. Suspension or revocation of a color scheme permit (i.e. taxicab company) is extremely drastic because it not only affects the color scheme, but the numerous drivers and taxicab permit holders that are affiliated with the color scheme. Suspension of a color scheme essentially suspends the taxicab permit holders' permits at that color scheme, regardless if the taxicab permit holders violated any rules. The Taxi Commission needs a vehicle to discipline color scheme permit holders without affecting the medallion holders or drivers.

As explained, currently, for minor violations of the Commission rules, the Commission requires a driver to attend taxi school or the SFPD Taxi Detail gives a verbal or written admonishment. These penalties do not serve as deterrence. It is just the cost of doing business.

Administrative penalties create a process of escalated discipline that begins with fines and leads all the way up to revocation. By way of history, most permitholders believe that the San Francisco Board of Appeals will overturn Taxi Commission revocation of permit decisions for failure to comply with the full-time driving requirement. The Board of Appeals has criticized the Taxi Commission for immediately suspending or revoking a permit for failure to comply with the full-time driving requirement after the first offense. They believe this measure is extreme. More likely than not, the Board of Appeals will start upholding the Taxi Commission revocation decisions, if the Commission penalized the permitholder on an progressive scale: i.e. an administrative fine for the first offense; suspension for the second offense; and revocation for the third offense.

Additionally, suspending or revoking a permit because a permitholder fell short of the fulltime-driving requirement by a few shifts; or violated the Commission rule of possessing and issuing comment cards is a drastic measure. When the Commission believes suspension or revocation is harsh, but needs to discipline the permitholder, the Commission should be able to impose administrative penalties.

<u>Supervisor Sandoval's Amendment to the Whole Dated 2/18/04</u>

The Commission believes administrative penalties will encourage all permitholders to comply with Commission rules. Permitholders will take their chances that if they appeal the Commission's revocation decision to the Board of Appeals, the Board will overturn the Taxi Commission's decision.

Fines for violating the full-time driving requirement will not exceed .5 times any lease fee collected by the permitholder during the period that he or she did not meet the full-time driving requirement. Or, where the permitholder does not collect lease fees, the Commission may impose administrative penalty not to exceed an amount yet to be

determined. For example, if the permitholder lease fee is $1,800[4], then the fine could be up to $9,000. Whereas, under the original Taxi Commission proposed legislation, the lease fee would be up to $2,700 (i.e. 1.5 times the lease fee). In imposing the fine, the Taxi Commission can take into account whether the permitholder had previous violations, whether there was willful concealment and/or misrepresentations to the Taxi Commission, or mitigating circumstances.

In imposing administrative penalties, which the proposed ordinance would establish, the Commission would like to use the same infraction fine schedule. The Taxi Commission wants the ability to pursue administrative penalties rather than prosecutions for infractions. As a result, the Commission does not have to rely on the District Attorney's decision whether or not to pursue charges. Administrative penalties would not invoke the full range of criminal justice procedures (with their attendant costs and burdening the courts). Furthermore, it would not stigmatize permitholders with criminal prosecutions. Finally, administrative penalties create a faster resolution of disputes.

Taxi Commission Hearing Procedures

Beginning in July 2003, the Taxi Commission established a hearing officer to hear all disciplinary cases that were brought before the Taxi Commission. To protect the rights of all the taxi permitholders, the Hearing Officer is not an employee of the Taxi Commission, but a Department of Parking and Traffic Hearing Officer. These disciplinary hearings are heard on the first Friday of every month. The Hearing Officer conducts the hearing, and makes a recommended decision. The final decision is placed on the Taxi Commission's consent calendar for the next scheduled meeting.

Any time the Taxi Commission grant, denies, suspends or revokes a permit, the matter may be appealed to the San Francisco Board of Appeals within 15 days of the Taxi Commission decision pursuant to Charter 4.106.

[4] In December 1998, Police Code 1135.2 set a lease fee cap of $1,800/month. However, in December 2000, the provision expired. Currently, the lease fee is set by market demands.

City and County of San Francisco

Meeting Agenda

Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Wednesday, March 31, 2004 | **12:30 PM** | **City Hall, Room 263**

Special Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:

1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

DOCUMENTS DEPT.

MAR 26 2004

SAN FRANCISCO
PUBLIC LIBRARY

AGENDA CHANGES

CLOSED SESSION - SPECIAL ORDER 12:30 PM

Conference with the City's Labor Negotiators: Collective Bargaining

Motion that the Board of Supervisors Finance and Audits Committee convene in closed session with the City Attorney, City's Labor Relations Negotiators, Mayor and Director of Human Relations, for the purpose of reviewing the City's positions in pending labor negotiations with organizations representing the City employee groups listed on agenda. This closed session is permitted by Government Code Section 54957.6(a), and San Francisco Administrative Code Section 67.8.

1. 040369 **[Labor Negotiations]**

Supervisor Daly

Closed session hearing to consider the progress of labor negotiations between the City and County of San Francisco and affected bargaining units.

3/23/04 RECEIVED AND ASSIGNED to Finance and Audits Committee

City's Negotiators: Mayor and Human Resources Director

Organizations Representing:
Automotive Machinists, Local 1414; Bricklayers Local 3/Hod Carriers, Local 36;
Building Inspectors Association; Chief Building Inspectors;
Carpenters, Local 22; Cement Mason, Local 580;
Deputy Sheriffs' Association; District Attorney Investigators Association
Electrical Workers, Local 6; Glaziers, Local 718;
International Alliance of Theatrical Stage Employees, Local 16;
Ironworkers, Local 377; Laborers International Union, Local 261;
Municipal Attorneys' Association; Municipal Executives Association; MEA - Police Management;
MEA Fire Management;
Operating Engineers, Local 3; Painters, Local 4; Pile Drivers, Local 34;
Plasterers and Shophands, Local 66; Plumbers, Local 38;
Probation Officers Association; Professional & Technical Engineers, Local 21;
Roofers, Local 40; SFIRA/CAIR/CIR/SEIU (Interns and Residents);
S. F. Institutional Police Officers Association;
S. F. Firefighters, Local 798 Unit 1; S. F. Firefighters, Local 798 Unit 11;
S. F. Police Officers Association; SEIU Local 250
SEIU Local 535; SEIU Local 790; SEIU Local 790 (Staff Nurses);
SEIU (H-1) Rescue Paramedics); Sheet Metal Workers, Local 104;
Stationary Engineers, Local 39;
Supervising Probation Officers, Operating Engineers Local 3;
Teamsters, Local 350; Teamsters, Local 853;
Teamsters, Local 856 (Multi Unity); Teamsters, Local 856 (Supervising Nurses);
TWU, Local 200 (SEAM Multi Unit); TWU, Local 250-A, (7410);
TWU, Local 250-A, (9163); TWU, Local 250-A, (Multi Unit);
Union of Amer. Physicians & Dentists; Unrepresented Employees

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

[Elect To Disclose]
Motion that the Committee finds it is in the public interest to disclose information discussed in closed session, and directs the Chair immediately to disclose that information.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

SPECIAL ORDER - 1:00 PM

2. 040344 **[Ryan White CARE Act Funding FY 2004-2005]**

Supervisor Daly

Hearing to consider the impacts of Ryan White CARE Act funding reductions in the Fiscal Year 2004-2005, and discuss the development of a supplemental appropriation. The hearing will address the following issues: (1) Actions of the HIV Health Services Planning Council to prioritize funding; (2) Implementation of Planning Council prioritization by DPH; (3) Service impacts to local residents; (4) Marin and San Mateo County funding levels; (5) Efforts of our federal representatives to restore funding; (6) Using Medi-Cal to ensure that CARE funding is used as the funding of last resort; (7) Reducing administrative costs; (8) Whether elimination of services such as transportation, decentralized dental care, outpatient substance abuse, childcare, treatment adherence, legal and immigation assistance and complementary therapies are sound public policy.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

REGULAR AGENDA

3. 040262 **[Mayor's Summer Food Service Program]**

Resolution authorizing the Department of Children, Youth, and Their Families to accept and expend a grant in the amount of $599,215 from the United States Department of Agriculture for the 2004 Mayor's Summer Food Service Program. (Mayor)

3/8/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4. 040226 **[Sale of Surplus Property at 107 24th Avenue]**

Resolution authorizing the sale of surplus City-owned real property located at 107 24th Avenue (Block 1334, Lot 1); adopting findings that the sale is exempt from Environmental Review and is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property to proceed with its sale at public auction. (Real Estate Department)

3/9/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

5. 040100 **[Process for Sale of Real Property]**

Supervisor Peskin

Ordinance authorizing the Public Utilities Commission to solicit proposals and bids for the sale of certain real properties with development potential that are not needed for utility purposes, subject to the review and approval by the Board of Supervisors, by resolution, of any final sale of such properties.

1/27/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6. 040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, 0943 Manager VIII, 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 7334 Stationary Engineer, and 9343 Roofer, and H-30 Captain (Fire Department). (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee

7. 040272 **[Public Employment]**

Mayor

Ordinance amending Ordinance No. 195-03 (Annual Salary Ordinance 2003/04) reflecting the deletion of 189.90 positions in the following departments: Administrative Services, Adult Probation, Adult and Aging Services, Airport, Assessor, Convention Facilities, Emergency Communications, Environment, Human Resources, Juvenile Probation, Municipal Transportation Agency, Police, Public Health, Recreation and Park, Sheriff and Telecommunication and Information Services.

3/9/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

8. 040037 **[Lease of Real Property - 1145 Market Street]**

Resolution authorizing the lease of 30,790 sq. ft. of office space in the building located at 1145 Market Street, San Francisco for the City and County of San Francisco Public Utilities Commission. (Real Estate Department)

1/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.
3/24/04, CONTINUED. Continued to 3/31/04.

9. 040099 **[Dept. of Administrative Services to provide services to public entities]**

Supervisor Dufty

Ordinance authorizing the Department of Administrative Services to enter into written agreements with other public entities to provide the public entities with publishing, copying, printing and/or mail services, and ratifying and approving any actions heretofore taken by the Department of Administrative Services to provide such services to public entities.

1/27/04, RECEIVED AND ASSIGNED to Finance and Audits Committee

10. 021505 **[Ordinance adding Section 21.25-3 to the Administrative Code]**
Supervisors Ammiano, Daly

Ordinance adding Section 21.25-3 to the Administrative Code to require that workers engaged in rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services on property owned or leased by the City and County of San Francisco be paid the prevailing rate of wage and that such workers will have job protection with the successor contractor for a transition period after a lease, management agreement or other contractual arrangement is terminated.

8/26/02, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 9/25/2002.
9/13/02, REFERRED TO DEPARTMENT Referred to Small Business Commission for comment and recommendation
2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.
8/28/03, FILED PURSUANT TO RULE 5.37.
3/9/04, REACTIVATED PURSUANT TO RULE 5.23. Supervisor Daly requested this matter be reactivated.
3/9/04, ASSIGNED to Finance and Audits Committee.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Audits Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30-day Rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 必須在會議前最少四十八小時提出要求
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

FINANCE AND AUDITS COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

City and County of San Francisco
Meeting Minutes
Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, March 31, 2004 **12:30 PM** **City Hall, Room 263**

Special Meeting

Members Present: Chris Daly, Aaron Peskin, Tom Ammiano.

Meeting Convened

The meeting convened at 12:40 p.m.

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CLOSED SESSION - SPECIAL ORDER 12:30 PM

Conference with the City's Labor Negotiators: Collective Bargaining

Unanimous vote to convene in closed session by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

[All Committees]
Government Document Section
Main Library

040369 **[Labor Negotiations]**

Supervisor Daly

Closed session hearing to consider the progress of labor negotiations between the City and County of San Francisco and affected bargaining units.

(City's Negotiators: Mayor and Human Resources Director
Organizations Representing:
Automotive Machinists, Local 1414; Bricklayers Local 3/Hod Carriers, Local 36;
Building Inspectors Association; Chief Building Inspectors;
Carpenters, Local 22; Cement Mason, Local 580;
Deputy Sheriffs' Association; District Attorney Investigators Association
Electrical Workers, Local 6; Glaziers, Local 718;
International Alliance of Theatrical Stage Employees, Local 16;
Ironworkers, Local 377; Laborers International Union, Local 261;
Municipal Attorneys' Association; Municipal Executives Association; MEA - Police Management; MEA Fire Management;
Operating Engineers, Local 3; Painters, Local 4; Pile Drivers, Local 34;
Plasterers and Shophands, Local 66; Plumbers, Local 38;
Probation Officers Association; Professional & Technical Engineers, Local 21;
Roofers, Local 40; SFIRA/CAIR/CIR/SEIU (Interns and Residents);
S. F. Institutional Police Officers Association;
S. F. Firefighters, Local 798 Unit I; S. F. Firefighters, Local 798 Unit II;
S. F. Police Officers Association; SEIU Local 250
SEIU Local 535; SEIU Local 790; SEIU Local 790 (Staff Nurses);
SEIU (H-1) Rescue Paramedics); Sheet Metal Workers, Local 104;
Stationary Engineers, Local 39;
Supervising Probation Officers, Operating Engineers Local 3;
Teamsters, Local 350; Teamsters, Local 853;
Teamsters, Local 856 (Multi Unity); Teamsters, Local 856 (Supervising Nurses);
TWU, Local 200 (SEAM Multi Unit); TWU, Local 250-A, (7410);
TWU, Local 250-A, (9163); TWU, Local 250-A, (Multi Unit);
Union of Amer. Physicians & Dentists; Unrepresented Employees)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

Report on Closed Session

Unanimous vote not to disclose discussion to the public by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

Deputy City Attorney Ted Lakey reported that the Finance Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

SPECIAL ORDER - 1:00 PM

040344 **[Ryan White CARE Act Funding FY 2004-2005]**
Supervisors Daly, Dufty
Hearing to consider the impacts of Ryan White CARE Act funding reductions in the Fiscal Year 2004-2005, and discuss the development of a supplemental appropriation. The hearing will address the following issues: (1) Actions of the HIV Health Services Planning Council to prioritize funding; (2) Implementation of Planning Council prioritization by DPH; (3) Service impacts to local residents; (4) Marin and San Mateo County funding levels; (5) Efforts of our federal representatives to restore funding; (6) Using Medi-Cal to ensure that CARE funding is used as the funding of last resort; (7) Reducing administrative costs; (8) Whether elimination of services such as transportation, decentralized dental care, outpatient substance abuse, childcare, treatment adherence, legal and immigation assistance and complementary therapies are sound public policy.
3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Daly; James Lloyce, Health Department; Supervisor Ammiano; Monique Zmuda, Controller's Office; Ed Brown, Congresswoman Pelosi's Office; Brad Hume, Care Council; Catherine Gueneracos; Alan Meyer, S. F. Community Clinic Consortium; Bill Hirsh, AIDS Legal Referral; Carla Wilson, Quan Yin Healing Arts Center; Elyse Graham, Executive Director, Immune Enhancement Project; Richard Johnson; Lixin Huang, American College of TCM; Pam Olton; Rachel Matillane, Pacific Islander Wellness Clinic; John Manzon-Santos; Perry Lang, Executive Director, Black Coalition on AIDS; Mana Rineldi, Instituto Familia de la Raza; Hywel Sims, Executive Director, Shanti; Mark Cloutier, Executive Director, Continuim; Fernando Gomez, Director, Mission Neighborhood Health Center; Molly Newlon, DDS, UCSF School of Dentistry; Ana Montano, Attorney, ALRP Immigration HIV Program; Donald Frazier, Walden House, Inc.; Shenain Adams, Larkin Street Youth Services; Erin McGrath, Mayor's Office; Supervisor Peskin.

FILED by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

REGULAR AGENDA

040262 **[Mayor's Summer Food Service Program]**
Resolution authorizing the Department of Children, Youth, and Their Families to accept and expend a grant in the amount of $599,215 from the United States Department of Agriculture for the 2004 Mayor's Summer Food Service Program. (Mayor)
3/8/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speaker: Camille Wise, Department of Children, Youth and Their Families.

RECOMMENDED by the following vote:
Ayes: 3 - Daly, Peskin, Ammiano

040226 **[Sale of Surplus Property at 107 24th Avenue]**

Resolution authorizing the sale of surplus City-owned real property located at 107 24th Avenue (Block 1334, Lot 1); adopting findings that the sale is exempt from Environmental Review and is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property to proceed with its sale at public auction. (Real Estate Department)

3/9/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Peskin; Steve Legnitto, Acting Director of Property, Real Estate Department; Peter Winkelstein; Ted Lakey, Deputy City Attorney; Tom McAfee; Mary McAfee; Kimball Livingston; Deborah McCloud; Lauren Lamm; Susanne Lissak; Supervisor Daly; Supervisor Ammiano; Gary Dowd, PUC Real Estate.

Amended on page 1, line 10 to change "10,179" to "9,562"; same title.

AMENDED.

Continued to July 14, 2004.

CONTINUED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040100 **[Process for Sale of Real Property]**

Supervisor Peskin

Ordinance authorizing the Public Utilities Commission to solicit proposals and bids for the sale of certain real properties with development potential that are not needed for utility purposes, subject to the review and approval by the Board of Supervisors, by resolution, of any final sale of such properties.

1/27/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Peskin; Gary Dowd, PUC Real Estate; David Pilpel; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, 0943 Manager VIII, 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 7334 Stationary Engineer, and 9343 Roofer, and H-30 Captain (Fire Department). (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Marsha Stroope, Deputy Director, Human Resources Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790.

Continued to April 14, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040272 **[Public Employment]**

Mayor

Ordinance amending Ordinance No. 195-03 (Annual Salary Ordinance 2003/04) reflecting the deletion of 189.90 positions in the following departments: Administrative Services, Adult Probation, Adult and Aging Services, Airport, Assessor, Convention Facilities, Emergency Communications, Environment, Human Resources, Juvenile Probation, Municipal Transportation Agency, Police, Public Health, Recreation and Park, Sheriff and Telecommunication and Information Services. (Municipal Transportation Agency)

3/9/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Supervisor Daly; Elizabeth Goldstein, General Manager, Recreation and Park Department; Denise Couther-Graham, Local 790; Male speaker, Local 790; Peter Ashe; Amy Dawson, Director, Randall Museum; Supervisor Peskin; Ted Lakey, Deputy City Attorney; David Pilpel; Lorraine Grassano, Park Patrol Officer.

Amendment of the Whole.

Municipal Transportation Agency requested to be added as a cosponsor.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Ordinance No. 195-03 (Annual Salary Ordinance 2003/04) reflecting the deletion of 187.4 positions in the following departments: Administrative Services, Adult Probation, Adult and Aging Services, Airport, Assessor, Convention Facilities, Emergency Communications, Environment, Human Resources, Juvenile Probation, Municipal Transportation Agency, Police, Public Health, Recreation and Park, Sheriff and Telecommunication and Information Services. (Municipal Transportation Agency)

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040037 **[Lease of Real Property - 1145 Market Street]**

Resolution authorizing the lease of 30,790 sq. ft. of office space in the building located at 1145 Market Street, San Francisco for the City and County of San Francisco Public Utilities Commission. (Real Estate Department)

1/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/24/04, CONTINUED. Heard in Committee. Speakers: Harlan Kelly, Jr., Public Utilities Commission (PUC); Supervisor Peskin, Lawrence Battner, Acting Director, Planning Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; Paul Maltzer, Planning Department; Jean Mariani, PUC; Gary Dow, PUC Real Estate; Steve Legnitto, Real Estate Department; David Novogrodsky, Local 21; Sally Ramon; Chris Durazo; Mel Beetle; Delbert Scott; Victor Herrera.
Continued to 3/31/04.

Heard in Committee. Speakers: Steve Legnitto, Real Estate Department; Supervisor Daly; David Novogrodsky, Local 21; Harlen Kelly, Jr., Public Utilities Commission; Supervisor Peskin; Supervisor Ammiano.

Supervisor Daly absent for the vote.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 2 - Peskin, Ammiano
Absent: 1 - Daly

040099 **[Dept. of Administrative Services to provide services to public entities]**

Supervisor Dufty

Ordinance authorizing the Department of Administrative Services to enter into written agreements with other public entities to provide the public entities with publishing, copying, printing and/or mail services, and ratifying and approving any actions heretofore taken by the Department of Administrative Services to provide such services to public entities.

1/27/04, RECEIVED AND ASSIGNED to Finance and Audits Committee

Heard in Committee. Speaker: David German, Reproduction Bureau.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Ammiano
Absent: 1 - Daly

021505 **[Ordinance adding Section 21.25-3 to the Administrative Code]**

Supervisors Ammiano, Daly

Ordinance adding Section 21.25-3 to the Administrative Code to require that workers engaged in rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services on property owned or leased by the City and County of San Francisco be paid the prevailing rate of wage and that such workers will have job protection with the successor contractor for a transition period after a lease, management agreement or other contractual arrangement is terminated.

8/26/02, ASSIGNED UNDER 30 DAY RULE to Finance Committee, expires on 9/25/2002.

9/13/02, REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation.

2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.

8/28/03, FILED PURSUANT TO RULE 5.37.

3/9/04, REACTIVATED PURSUANT TO RULE 5.23. Supervisor Daly requested this matter be reactivated.

3/9/04, ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Josh Pastreich, Local 16; Edward.

RECOMMENDED by the following vote:

Ayes: 2 - Peskin, Ammiano
Absent: 1 - Daly

ADJOURNMENT

The meeting adjourned at 5:30 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 24, 2004
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3/31/04

TO: Finance and Audits Committee

FROM: Budget Analyst

SUBJECT: March 31, 2004 Finance and Audits Committee Meeting

Item 4 – File 04-0226

Department:	Public Utilities Commission (PUC) Department of Administrative Services, Real Estate Division (RED)
Item:	Resolution authorizing the sale of surplus City-owned real property located at 107 24th Avenue, Block 1334, Lot 1; adopting findings that the sale is exempt from Environmental Review and is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property to proceed with its sale at public auction.
Description:	The subject property consists of approximately 9,562 square feet of vacant land (approximately 0.220 acres) owned by the City under the jurisdiction of the Public Utilities Commission (PUC). The proposed resolution would authorize the City's Director of Property to sell the subject property at public auction to the highest bidder. According to Mr. Larry Ritter of RED, proceeds from the sale of the property would be deposited to the PUC's Clean Water Fund. According to Mr. Steve Legnitto, Acting Director of RED, the subject vacant land was formerly the location of a private,

[Budget Analyst Report]
SF Public Library
Govt. Information Center, 5th Flr.
ATTN: Michael Sherrod-Flores

single family residence. After a sewer failure in December 1995, the single family residence collapsed, causing damage to the single family residence and to neighboring properties. The subject property was then purchased by the City from owners Howard and Ira Billman for $3,065,000 based on a legal settlement, which is explained further in Attachment I, a memo provided by Mr. Legnitto. Mr. Legnitto explains further that the sewer has since been relocated. The PUC declared on March 9, 1999 the subject vacant land to be surplus to the needs of the PUC and has recommended the sale of the subject property at public auction. Attachment II provides a map of the subject property. According to Mr. Ritter, the subject vacant land has been rezoned for two separate single family residences, as further described below.

According to the proposed resolution, prior to the sale at public auction, RED will subdivide the property into two lots. Lot A will consist of 5,362 square feet and Lot B will consist of 4,200 square feet, for a total of 9,562 square feet, as shown in Attachment II. According to Mr. Ritter, RED estimates that the sale value of the property will be greater after subdivision into two lots instead of selling one large lot. Mr. Ritter adds that if the subject resolution is approved by the Board of Supervisors, RED will then set a minimum bid to sell the subject property at public auction which is estimated to be held in June of 2004. The minimum bid will be based on an independent appraisal of the property to be conducted by John Clifford and Associates, an appraisal firm retained by the RED. According to Mr. Ritter, the minimum bid for Lot A is estimated to be set at $1,350,000 for 5,362 square feet, or $251.77 per square foot, and the minimum bid for Lot B is estimated to be set at $1,500,000 for 4,200 square feet, or $357.14 per square foot, for total estimated sale proceeds of $2,850,000, or an average of $298.05 per square foot. Mr. Ritter advises that the buyers would be responsible for all closing costs and RED would receive a reimbursement of approximately $30,000

from the sale proceeds for RED's administrative costs be incurred in connection with the proposed sales.

Comments:

1. According to Mr. Ritter, the City has incurred significant costs on this property since it was acquired in 1995. Attachment III, provided by RED, shows that as of October 20, 2000, the PUC has incurred a net loss of $2,745,843 due to sewer repair costs and claims. According to Mr. Ritter and Mr. Gary Dowd of the PUC, this is the most recent fiscal accounting of the costs related to the subject property.

2. According to the Planning Department, the subject vacant land is categorically exempt from environmental review and the proposed sale has been reviewed for consistency with applicable objectives and policies of the General Plan and eight Priority Policies of Planning Code Section 101.1.

3. The proposed resolution states the surplus property contains a total of 10,179 square feet, but as shown in Attachment II, Lots A and B total 9,562 square feet, which is the correct square footage of the property, according to Mr. Ritter. Therefore, the Budget Analyst recommends that the proposed resolution be amended accordingly.

Recommendations:

1. Amend the subject resolution on page 1, line 10 to state that the subject property contains a total area of 9,562 square feet instead of the stated 10,179 square feet.

2. Approve the proposed resolution as amended.

Budget Analysis

City and County of San Francisco

Real Estate Division
Administrative Services Department

March 5, 2004

Through Darryl Burton, Director
Department of Administrative Services

Honorable Board of Supervisors
City & County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

PUC
Public Auction Sale
107 – 24th Avenue
Block 1334, Lot 1

Dear Board Members:

We recommend approval of the enclosed Resolution authorizing the sale at public auction of Lot 1 in Assessor's Block 1334 consisting of 10,179± sq. ft. of vacant land. Prior to the sale a Parcel Map will be filed subdividing the parcel into two lots, as shown on the attached drawing. The lots will be sold individually at public auction.

After a sewer failure in December 1995, which resulted in the loss of the residence on this site and damage to other neighboring properties, the City settled claims with the various property owners and their insurance companies. As part of the settlement, the City acquired title to this site. Subsequently, the sewer has been relocated and the site stabilized so that it can now be developed. The Public Utilities Commission pursuant to its Resolution No. 99-0046 has determined that the subject property is surplus to its present and future needs and has authorized the sale at public auction.

The Director of Planning in his letter dated August 8, 2000, a copy of which is enclosed, has determined that the sale of this property is categorically exempt from Environmental Review and in conformity with the General Plan and consistent with the Eight Priority Policies of Planning Code Section 101.1.

Should you have any questions or need additional information, do not hesitate to call Larry Ritter of our office at 554-9874.

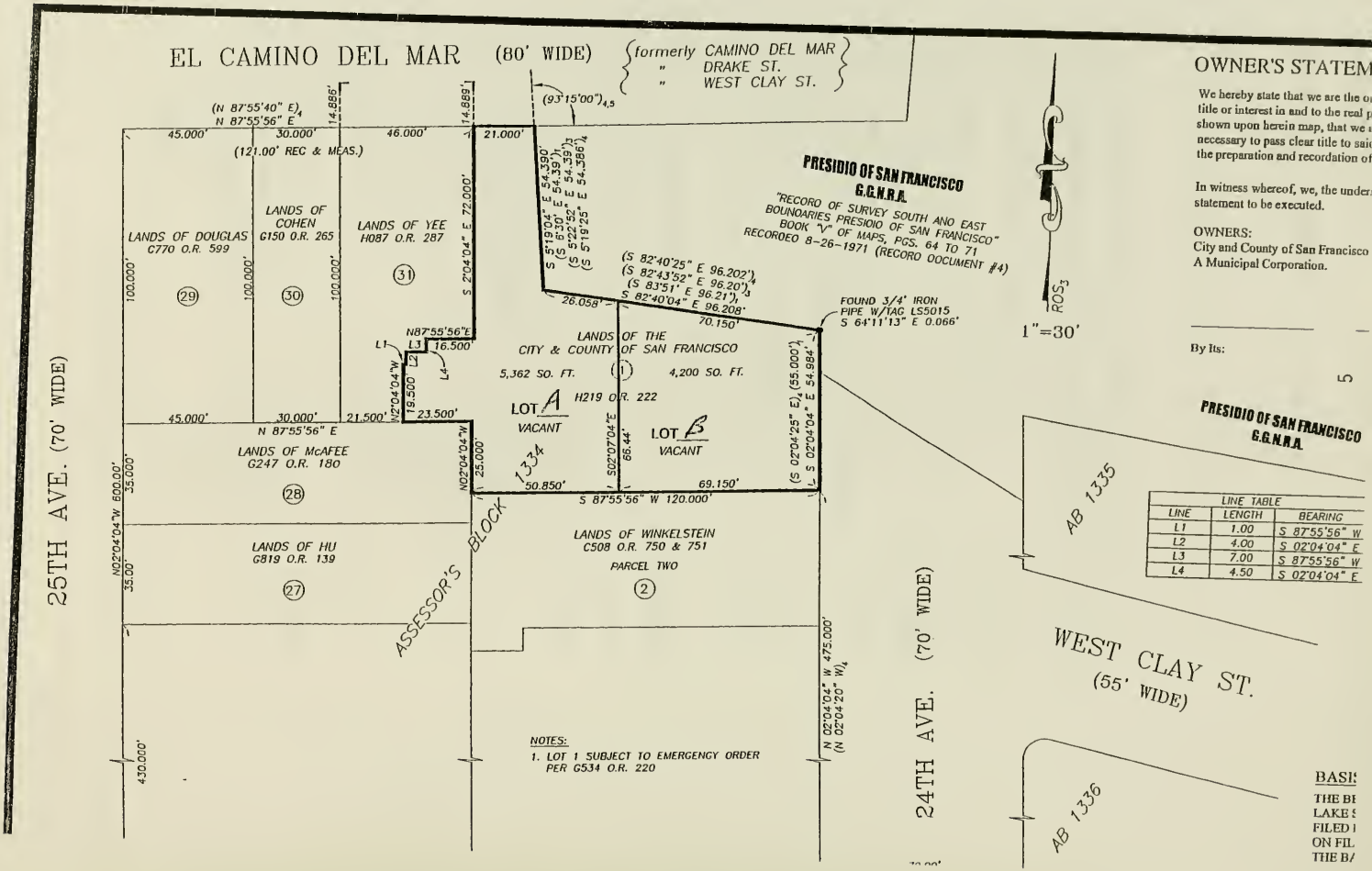
Sincerely,

Steve Legnitto

Steve Legnitto
Acting Director of Property

Enclosures

cc: Gary Dowd, PUC
John Martin, DPW/BSM
Daniel Myers, Esq.
ITTER\5785 PUC Disp Prop\BOS Ltr.doc



OWNER'S STATEM

We hereby state that we are the o
title or interest in and to the real p
shown upon herein map, that we
necessary to pass clear title to sai
the preparation and recordation o

In witness whereof, we, the under
statement to be executed.

OWNERS:
City and County of San Francisco
A Municipal Corporation.

By Its:

PRESIDIO OF SAN FRANCISCO G.G.N.R.A.

BASI

THE BI
LAKE S
FILED I
ON FIL
THE B/

107 24th Avenue, Block 1334, Lot 1

Seacliff Financial Status
as of October 20, 2000

Sewer Repairs		
Labor	554,388.00	
Non-Labor	27,279.00	
Construction Services	8,573,229.00	
Professional Services	1,489,823.00	
Legal Services	1,107,335.00	
Total		11,752,054.00
Claims		
Howard & Ira Billman	3,065,000.00	
State Farm Insurance	1,842,500.00	
Thomas McAfee	10,000.00	
Pacific Gas & Electric	80,000.00	
Faye Bernstein	92,000.00	
Walter & Ramona Yee	1,648,000.00	
Peter & Barbara Winklestein	590,000.00	
Misc. third party claims	146,130.00	
GGRNA	300,000.00	
Total		7,773,630.00
***OES Repayment		1,366,769.00
Total Seacliff Expenses		20,892,453.00
Amount Recovered on Claims		10,423,256.65
State Office of Emergency Services		8,628,317.00
Additional Anticipated Recovery		
OES Payment Authorized	862,832.00	
Total Future Recovery		862,832.00
Total Recovery		19,914,405.65
Estimated Interest Loss		1,767,796.00 *
Net Gain (Loss) on Seacliff Emergency		(2,745,843.35)

* Estimated Interest Loss based on Funding from Clean Water for repairs.

***(OES)= Office of Emergency Services

Item 5 - File 04-0100

Department: Public Utilities Commission (PUC)
Department of Administrative Services, Real Estate Division (RED)

Item: Ordinance authorizing the Public Utilities Commission to solicit proposals and bids for the sale of certain real properties with development potential that are surplus to the needs of the PUC and not needed for utility purposes, subject to the review and approval by the Board of Supervisors, by resolution, of any final sale of such properties.

Description: The proposed ordinance authorizes the Public Utilities Commission (PUC) to enter into exclusive negotiations with developers for the purpose of selling to the developers properties considered as surplus to the needs of the PUC. According to the proposed ordinance, this legislation would allow potential developers to pursue entitlements while working in conjunction with the PUC. According to Mr. Gary Dowd of the PUC, entitlements are requirements that must be met by a developer as a condition of approval of a development project by the City or County having jurisdiction over the development project, such as approval of a change in zoning, prior to final approval of the development. According to Mr. Dowd, many surplus PUC properties would have potential sale values substantially greater than the current "as is" value of the properties, if the properties could be rezoned, subdivided or otherwise developed for their highest and best use. According to Mr. Dowd, currently there are three PUC properties to which this ordinance would apply. Mr. Dowd has provided a description of these three PUC properties on page 3 of Attachment I.

According to Mr. Dowd, the proposed ordinance would allow the PUC to sell surplus properties without going through the Department of Administrative Services, Real Estate Division (RED), as is presently required by the City's Administrative Code.

The Administrative Code states that the means of selling such surplus properties, such as by "public auction,

Competitive Bidding Process or such other means of disposition" must be specified in a resolution approved by the Board of Supervisors. According to Mr. Charles Sullivan of the City Attorney's Office, the proposed ordinance would authorize the PUC to sell properties, considered to be surplus to the needs of the PUC, without selling such properties through a public auction or by a Competitive Bidding Process, or some other means of disposition in "as is" condition. Mr. Dowd reports that if allowed to negotiate directly with developers and if such developers obtained the needed entitlements, the PUC would most likely be able to sell the surplus property at a substantially greater price than having the RED sell properties in their "as is" condition as described in Attachment. The Budget Analyst notes however, that the Administrative Code does not require that surplus property be sold in its "as is" condition. According to Mr. Sullivan however, selling such properties in "as is" condition is the usual practice when surplus property is sold by the RED.

According to Mr. Dowd, the PUC is currently preparing a Request For Proposal (RFP) process in order to enter into exclusive negotiations with developers for three properties: 7.5 acres of vacant land in Fremont (known as the Niles Reservoir property), 8.7 acres of vacant land in South San Francisco (known as the South City El Camino/ Chestnut property), and 6.4 acres leased to a nursery in Mountain View (known as the Mountain View/ Whisman and Tyrella property). Both the Fremont and South San Francisco properties are currently open vacant space, and the Mountain View Property includes a nursery that leases property from the PUC with an annual rental of $12,600.

According to Mr. Dowd, these three properties have not formally been declared as surplus by the PUC because such a declaration would require the PUC to immediately turn over the subject properties to RED for sale to the highest bidder, most likely by public auction or through a Competitive Bidding Process.

Mr. Dowd reports that the total value of the three properties with entitlements, which would allow for residential and commercial development, is estimated to be between $15 and $20 million, which is significantly greater than the estimated value of the properties without entitlements of approximately $5,000,000 to 6,700,000, as discussed in Attachment. According to Mr. Dowd, there are hundreds of potential developers who will be notified by the PUC pertaining to the potential sale of these three PUC properties.

According to the proposed ordinance, the PUC would be authorized to sell surplus properties at negotiated prices with developers if the PUC finds that:

> (1) a property is not needed for utility purposes, (2) the property has potential for a net sales price greater than an "as is" sales price or current rental value if the property can be rezoned, subdivided, or otherwise entitled to its highest and best use, (3) the SFPUC should have continued involvement and oversight in the entitlement and sale process for the property, and (4), the proceeds of such sales can be most effectively utilized for utility purposes.

Each specific PUC property that is sold would be subject to final approval by the Board of Supervisors under separate future legislation. In that regard, the proposed ordinance states:

> The terms and conditions of any agreement to sell a property, including but not limited to the purchase price, shall be subject to the review and approval of the Board of Supervisors, in its sole and absolute discretion, in accordance with Charter Section 9.118(c).

Therefore, according to Mr. Sullivan, the proposed ordinance requires that the PUC must obtain Board of Supervisors approval, by resolution, for each individual property to be sold under the provisions of this proposed ordinance.

Additionally, according to the proposed ordinance, on or before the first anniversary of this ordinance, and each year thereafter, the PUC General Manager shall submit a resolution to the Board of Supervisors to request Board of Supervisors approval, by resolution, of the continuation of this proposed ordinance, and to provide a status report on the PUC properties for which RFPs have been previously issued.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

DATE: March 10, 2004

TO: Budget Analyst

FROM: Garrett M. Dowd, Director, SFPUC Real Estate Services

RE: File 04-0100 SFPUC Process For Sale of Real Property

The San Francisco Public Utilities Commission ("SFPUC") owns approximately 63,000 acres of watershed lands, more than 200 miles of water pipeline right-of-way land, 160 miles of electrical transmission lines, 900 miles of sewer lines, and numerous other facilities such as in-city reservoirs, tank sites, and pump stations. These land holdings are located in San Francisco, San Mateo, Santa Clara, Alameda, Tuolumne, Stanislaus, and San Joaquin Counties. Some of these lands have the potential to be used by third parties through the use of lease agreements. For example the surface areas of underground pipelines can be used for parking lots while golf courses, quarries, and even cellular telephone sites, etc. exist on watershed lands, provided the use is compatible with SFPUC system operations. There also are parcels that are entirely surplus to the SFPUC's operations, and thus are candidates for an outright sale.

These surplus lands offer opportunity for much-needed additional SFPUC revenues. Capital demands associated with the reconstruction of the Hetch Hetchy water system have made increasing such revenues a priority. Many of these surplus properties have potential values substantially greater than an "as is" value, if the properties can be rezoned, subdivided, or otherwise entitled to their highest and best use.

As currently drafted, the City's surplus property ordinance only contemplates the disposition of surplus property via "as is" sale, with such sales to be conducted by the Real Estate Division. The proposed legislation allows the SFPUC to enter into exclusive negotiating agreements under which successful developers would seek to obtain entitlements for certain of the surplus properties, leading to the eventual purchase by the developers at significantly higher prices than from "as is" sales. The final purchase and sale agreement for each property would be subject to SFPUC and Board of Supervisors' approval

At the current time, the SFPUC is beginning the RFQ/P process leading to the selection of successful developers and exclusive negotiating agreements for three properties: Fremont (7.5 acre former Niles Reservoir property); South San Francisco (8.7 acre El Camino/ Chestnut/Mission property); and Mountain View (6.4 acres between Whisman and Tyrella).

The Fremont and South San Francisco properties are currently open space and the Mountain View property currently contains a nursery. The total value of the three properties with entitlements is estimated to be between $15 million and $20 million. Such value is significantly more than the current "as is" value of the three properties. SFPUC expects to develop and sell additional properties using this process. While it is very difficult to estimate exactly what someone might pay for the properties "as is", I believe a good rule of thumb is approximately 1/3 the entitled price (or, in this case between $5 and $6.7 million). This estimate is based on the past experiences such as the sale of the Bernal property in 1998. The highest price we were offered prior to entitlements was $50 million, ultimately the property sold for $133 million when entitled.

In order to generate the greatest revenue for the City, the SFPUC will follow standard procedure utilized in typical RFQ/P releases. A qualified review panel will evaluate each proposal to determine the best applicant. Proposals will ranked based on total purchase price as well as qualifications and experience. The developers have been asked to submit a proforma on each surplus property outlining what they believe can realistically be developed on the sites. Through this process developers will determine a residual land value, which will be paid to the SFPUC.

If I can provide any further details please feel free to contact me at 487-5211.

Potential PUC Surplus Properties

Description	Location
7.5 acres of vacant land	Fremont location (known as the Niles Reservoir property), SFPUC parcel No. 50
8.7 acres of vacant land	South San Francisco (known as the South City El Camino/ Chestnut property), SFPUC Parcel Nos. 21 and 24, San Mateo County Lands and MUNI Parcel No. 5
6.4 acres, leased to a nursery	Mountain View (known as the Mountain View/ Whisman and Tyrella property), portion of SFPUC Parcel Nos. 189 and 190, Bay Division Pipeline No 3 and 4.

Item 6 - File 04-0239

Department: Department of Human Resources (DHR)

Item: Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 0922 Manager 1, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, 0943 Manager VIII, 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 7334 Stationary Engineer, and 9343 Roofer, and H-30 Captain (Fire Department).

Description: The proposed resolution would approve the extension of provisional appointments through June 30, 2005 for employees in 22 classifications for which no eligible list exists and who have been employed in their classes for more than three years, as required by San Francisco Charter Section 10.105.

According to Ms. Marsha Stroope of DHR, provisional appointments of City employees occur when there is not an eligible list available for appointment to permanent City positions. An eligible list includes all persons who passed a civil service examination given by the Department of Human Resources or a Human Resources unit within another city department for the specific classification. According to Charter Section 10.105, provisional appointments of City employees to classified positions, for which no eligible list exists, cannot exceed three years, unless such appointments are renewed with the approval of the Board of Supervisors and upon certification by the Human Resources Director that for reasons beyond her control, the DHR has been unable to conduct examinations for these positions. The Attachment to this report is a memorandum provided by Ms. Stroope which lists the 22 classifications, the number of affected employees in each classification totaling 145, the date that the last civil service examination was held for each of the 22 classifications and the reasons why civil service examinations have not been held.

The proposed resolution would approve an extension of provisional appointments for the applicable 22 classifications, affecting a total of 145 employees through June 30, 2005. These employees work in 25 City Departments, including the Airport, the Public Utilities Commission, the Planning Department and the Fire Department.

Comments:

1. According to Ms. Stroope, DHR has undertaken an expedited program to reduce the number of long-term provisional employees in the City by streamlining the examination process, decentralizing examination functions into various City departments (such as the Airport, Health Department and Sheriff), providing more examinations and increasing the number of eligible lists for appointment of employees to permanent positions. As a result, Ms. Stroope reports that DHR has reduced the number of provisional employees from 3,193 employees in 1999 to the current number of 1035 such employees in 2004. Of these provisional appointments, the long-term provisional appointments were 54 in 1999 and are 145 currently, an increase of 91 long-term provisional appointments, or an increase of 169 percent.

2. Ms. Stroope reports that if the proposed resolution is not approved by the Board of Supervisors, then the 145 affected employees would need to be laid off since their provisional appointments would have exceeded the three-year limit, in accordance with Charter Section 10.105. Ms. Linda Ross of the City Attorney's Office concurs with Ms. Stroope.

3. According to Ms. Stroope, the DHR will not be able to hold the necessary civil service examinations and create the applicable eligible lists for these 145 provisional employees in 22 classifications in order for such employees to be appointed to permanent positions, prior to the three year deadline for these 145 provisional employees and is therefore requesting approval from the Board of Supervisors to extend these provisional appointments through June 30, 2005, when it is anticipated that the applicable civil service examinations would have been held and that the eligible lists will exist for appointment to permanent positions.

4. As of the writing of this report, Ms. Stroope could not provide an estimate of when the civil service examinations for these 22 classifications would be given. However, Ms. Stroope states that all of the examinations and eligible lists for these 145 employees are planned to be completed by May 30, 2005. Therefore, according to Ms. Stroope DHR will not be requesting approval from the Board of Supervisors for any further extensions of these provisional appointments beyond the requested extension date of June 30, 2005.

5. Ms. Stroope notes that, if the proposed resolution is not approved, and these 145 provisional employees were terminated, their budgeted positions would still be included in each departments' budgets. Ms. Stroope states that this would result in each of the affected departments having to recruit, hire and train new employees to fill the same budgeted positions, if such positions continue to be approved by the Mayor and the Board of Supervisors in the City's budget.

Recommendation: Approve the proposed resolution.

DEPARTMENT OF HUMAN RESOURCES
CITY & COUNTY OF SAN FRANCISCO
Andrea R. Gourdine, Human Resources Director

MEMORANDUM

Date: March 25, 2004

To: Elaine Forbes
Budget Analyst

From: Marsha Stroope
Deputy Director
Department of Human Resources

Subject: Resolution Approving Extension of Provisional Appointments-File 04-0239

The attached chart provides the information requested by the Budget Analyst regarding the classifications included in the above mentioned request for extension of provisional appointments.

The Department of Human Resources (DHR) is unable to conduct examinations and establish eligible lists prior to the 3-year Charter mandated time limit for provisional employment in these classifications for the following reasons:

1. DHR Merit System Services Division staff has been reduced as a result of budget reductions over the past two years.

2. Competitive, ranked examination processes are required for all tested classifications.

3. The H-30 Captain (Fire Department) examination has been delayed due to the deliberations related to Civil Service Commission Rules on Fire Department examinations/certification process and approval of secondary criteria.

4. The Management Classification and Compensation Plan audit results must be finalized before examinations can be conducted for the new Manager series. While all positions have been audited, appeals must be resolved before final allocations and examinations can be completed.

Release of these long-term provisional employees would result in loss of talent and experience in the City service, as the most senior provisional employees would be laid off, while the less senior would be retained. Since the position authority would remain, departments would then have to recruit, hire and train new employees to fill the same budgeted positions at a substantial cost to the City and County.

CLASSIFICATIONS WITH PROVISIONAL EMPLOYEES REQUIRING EXTENDED APPOINTMENTS

Class	Class Title	#PV Employees	Term PV*	Department/s Impacted	Date of Last Exam	Reason Exam Not Held
922	Manager 1	39	24	AIR,CFM,CON,ECD,DPH,TTX,PTC,FIR,ECN	None	MCCP allocations must be finalized before examinations can be conducted.
923	Manager 2	35	29	AIR,CHF,HRD,ENV,ECN,DSS,DPW,DPH	None	MCCP allocations must be finalized before examinations can be conducted.
931	Manager 3	29	21	AIR,HRD,ECN,FIR,ECD,DSS,DPW,DPH,TTX,CON	None	MCCP allocations must be finalized before examinations can be conducted.
932	Manager 4	13	7	ADM,AIR,DBI,DPW	None	MCCP allocations must be finalized before examinations can be conducted.
933	Manager 5	23	14	AIR,DPW,ECN,TTX,PUC,RET,DPW,CFM,PTC,TIS,REC	None	MCCP allocations must be finalized before examinations can be conducted
941	Manager 6	20	8	REG,AIR,CON,DPW,DPH,PUC,CPC,ADM	None	MCCP allocations must be finalized before examinations can be conducted.
942	Manager 7	3	1	CSS,DPW,AIR	None	MCCP allocations must be finalized before examinations can be conducted
943	Manager 8	4	3	DPW,ECN,DPH	None	MCCP allocations must be finalized before examinations can be conducted.
1237	Training Coordinator	1	1	ECD	1/20/2000	Insufficient HR staff resources
1410	Chief Clerk	3	3	REG	6/3/2003	Insufficient HR staff resources
1842	Management Assistant	6	2	REG	9/21/2001	Insufficient HR staff resources
2998	Rep.,Commission on Status of Women	1	1	WOM	3/11/1999	Insufficient HR staff resources
3280	Assistant Recreation Director	32	3	REC,DSS	6/24/1999	Insufficient HR staff resources
3284	Recreation Director	11	8	REC,DSS	1/14/1999	Insufficient HR staff resources
4321	Cashier 2	2	2	TTX,DPH	8/21/1998	Insufficient HR staff resources
5278	Planner 2	12	8	CPC,AIR	5/3/2000	Insufficient HR staff resources
5283	Planner 5	2	2	CPC	8/4/1998	Insufficient HR staff resources
5293	Planner 4	6	2	CPC	8/4/1998	Insufficient HR staff resources
5608	Senior Energy Specialist	3	3	ENV	9/26/1997	Insufficient HR staff resources
7334	Stationery Engineer	0	0	N/A	6/26/2003	AppointmentsCompleted/Extension no longer required
9343	Rooter	2	2	REC,PRT	3/30/1998	Insufficient HR staff Resources
H30	Captain (Fire Department)**	1	1	FIR	8/17/1995	Fire Dept promotional exam process not finalized
	Totals	248	145			

*Long Term defined as reaching 3-year limit between current date and October 2004.
** This appointment has reached the 3-year limit.

mss 032404

FROM : DCSF_EMPLOYEE_RELATIONS PHONE NO. : 415 557 4919 Mar. 25 2004 08:48PM P2
415 557 4919 MAR-25-2004 17:33 P.02 98%

Item 7 - File 04-0272

Note: The Mayor's Budget Office advises that an Amendment of the Whole will be introduced at the Finance and Audits Committee meeting on March 31, 2004 to correct the number of positions being deleted, stating that 187.40 FTE positions will be deleted instead of 189.90 FTE positions as contained in the original ordinance. This report is based on the forthcoming Amendment of the Whole.

Departments:

Administrative Services (ADM)
Adult Probation (ADP)
Adult and Aging Services (AGE)
Airport
Assessor/Recorder (ASR)
Convention Facilities (CFM)
Emergency Communications (ECD)
Environment (ENV)
Human Resources (HRD)
Juvenile Probation (JUV)
Municipal Transportation Authority (MTA)
Police
Public Health (DPH)
Recreation and Park (REC)
Sheriff
Telecommunications and Information Services (DTIS)

Item:

Ordinance amending the FY 2003-2004 Annual Salary Ordinance, reflecting the deletion of 187.40 FTE positions in the following 16 departments: Administrative Services, Adult Probation, Adult and Aging Services, Airport, Assessor/Recorder, Convention Facilities, Emergency Communications, Environment, Human Resources, Juvenile Probation, Municipal Transportation Authority, Police, Public Health, Recreation and Park, Sheriff, and Telecommunications and Information Services.

Description:

As shown in Attachments I and II, provided by the Mayor's Budget Office, the proposed amendment to the Annual Salary Ordinance for FY 2003-2004 (Ordinance No. 195-03) would delete, on an annualized basis, 42.98 FTE funded positions and 144.42 FTE vacant unfunded positions (due to required attrition savings), for a total of 187.40 FTE positions in the 16 departments listed above.

Since 9.48 FTE funded positions are not currently filled, the deletion of 42.98 FTE funded positions will result in the layoff of 33.50 FTE employees. The layoffs in two departments, ADP and JUV, will be effective on April 1, 2004. The layoffs in the other departments will be effective commencing between April 23 and May 31, 2004.[1] According to Mr. Julian Low of the Mayor's Budget Office, it is probable that some or all of the employees to be laid off will have bumping rights. However, Mr. Low is unable to provide details on this matter prior to the actual layoffs occurring.

Proposed Savings: According to Mr. Low, the proposed ordinance would result in the following estimated maximum reduced annual costs to the City by deleting the salaries of the 42.98 FTE funded positions (both filled and vacant):

	Maximum Salary (Excluding Mandatory Fringe Benefits)
FY 2003-2004	
General Fund	$854,297
Non-General Funds[2]	269,672
Total - All Funds	$1,123,969
FY 2004-2005	
General Fund	$2,775,331
Non-General Funds	766,004
Total - All Funds	$3,541,335

Adding an estimated average 22.0 percent for mandatory fringe benefits would result in additional savings of:

- $247,273, for total savings of up to $1,371,242 in FY 2003-2004, including total General Fund savings of up to $1,042,242.

[1] Mr. Low advises that while the layoff notices are effective on April 23, 2004, consideration of early retirement options may delay the date as to when some of the layoffs actually occur.
[2] The non-General Fund departments are the Airport and CFM.

- $779,094, for total savings of up to $4,320,429 in FY 2004-2005, including total General Fund savings of up to $3,385,904.

Comments:

1. The most significant reductions in filled positions in General Fund departments will occur in the ADP, JUV, DPH, and REC budgets, as described in Comments Nos. 2 – 5 below.

2. Attachment III, provided by Mr. Daniel Lee of ADP, explains that ADP is laying off five employees effective April 1, 2004 (1.25 FTEs in FY 2003-2004). According to Mr. Low, this would result in a FY 2003-2004 General Fund savings, exclusive of mandatory fringe benefits, of up to $66,967 and a FY 2004-2005 General Fund savings, exclusive of mandatory fringe benefits, of up to $268,944.

3. Attachment IV, provided by Ms. Gwendolyn Tucker of JUV, explains that JUV is laying off six employees effective April 1, 2004 (1.50 FTEs in FY 2003-2004). According to Mr. Low, this would result in a FY 2003-2004 General Fund savings, exclusive of mandatory fringe benefits, of up to $82,679 and a FY 2004-2005 General Fund savings, exclusive of mandatory fringe benefits, of up to $332,046.

4. Attachment V, provided by Mr. Gregg Sass of DPH, explains that the proposed ordinance would require DPH to lay off nine employees (0.74 FTEs in FY 2003-2004). According to Mr. Low, the deletion of all funded positions in DPH, both filled and vacant, would result in a FY 2003-2004 General Fund savings, exclusive of mandatory fringe benefits, of up to $408,593 and a FY 2004-2005 General Fund savings, exclusive of mandatory fringe benefits, of up to $1,039,563. Mr. Sass states that, as a result of these lay offs, "The remaining workforce will be required to work harder."

5. Attachment VI, provided by Mr. Michael Frank of REC, explains that the proposed ordinance would require REC to lay off a net of seven middle management employees (0.98 FTEs in FY 2003-2004) in line with

REC's current restructuring.[3] According to Mr. Low, the deletion of seven funded and filled positions in REC would result in a FY 2003-2004 General Fund savings, exclusive of mandatory fringe benefits, of up to $102,745 and a FY 2004-2005 General Fund savings, exclusive of mandatory fringe benefits, of up to $552,392.

6. Approval of the proposed ordinance would result in requests for early retirement in accordance with the Charter Section A8401 which was approved by voters on November 4, 2003 (Proposition F) to grant early retirement benefits as mitigation for layoffs. Under that Charter Amendment, City employees working in classifications from which staff are being laid off during FY 2003-2004 and FY 2004-2005, due to the City's budget constraints, are eligible to take early retirement. Employees who are granted early retirement are treated as if they had worked three years longer and were three years older for the purposes of determining their monthly retirement payments from the City. This allows some employees to retire who are not currently eligible, and it increases the retirement pay of employees who are already eligible to retire. The City offers early retirement to permanent employees based on seniority, and only if early retirement by an individual employee would prevent another employee from losing his or her position with the City. According to Mr. Jamie Austen of HRD, the cost to the City for any early retirements has not yet been determined.

Recommendation: Approve the proposed ordinance.

[3] One of the 12 positions to be laid off, the Classification 3285 Junior Museum Director (the Randall Museum Director position) would be funded in the future by the Friends of the Randall Museum, according to Mr. Frank.

Funded Position Deletions

Department	Class	Title	FTE Count			Individual Salary	Cummulative Impact	Layoff Date
PREVIOUSLY ISSUED LAY-OFFS								
Juvenile Probation	1426	Senior Clerk Typist	2.00	1,506	1,827	$ 47,502	$ 95,004	
Juvenile Probation	1840	Junior Mgmt Asst	1.00	1,727	2,099	71,032	71,032	
Juvenile Probation	1844	Senior Mgmt Asst	1.00	2,247	2,732	41,600	41,600	
Juvenile Probation	1932	Assistant Storekeeper	1.00	1,320	1,600	42,250	42,250	
Juvenile Probation	7524	Institutional Utility Worker	1.00	1,320	1,600	82,160	82,160	
		Subtotal - Juvenile Probation	**6.00**				**$ 332,046**	
Adult Probation	1426	Senior Clerk Typist	1.00	1,506	1,827	47,502	47,502	
Adult Probation	4322	Cashier III position	1.00	1,646	1,999	51,974	51,974	
Adult Probation	1446	Secretary II	1.00	1,658	2,014	52,364	52,364	
Adult Probation	1410	Chief Clerk	1.00	2,069	2,514	65,364	65,364	
Adult Probation	1632	Senior Account Clerk	1.00	1,638	1,990	51,740	51,740	
		Subtotal - Adult Probation	**5.00**				**$ 268,944**	
		Total - Previously Issued Layoffs	**11.00**				**$ 600,990**	
PROPOSED SUPERVISOR AND MANAGER DELETIONS								
Admin Services	3453	Asst Agriculture Commissioner	1.00	2,199	2,672	$ 71,134	$ 71,134	
		Subtotal - Administrative Services	**1.00**				**$ 71,134**	
Airport	0955	Deputy Director	1.00	4,484	6,010	$159,985	$ 159,985	COB 5/7/04
Airport	0941	Financial Manager	1.00	3,698	4,954	128,804	128,804	COB 4/30/04
Airport	0941	Associate Deputy Director	1.00	3,698	4,954	145,596	145,596	COB 5/7/04
Airport	0955	Deputy Director	1.00	4,484	6,010	156,260	156,260	
		Subtotal - Airport	**4.00**				**$ 590,645**	
Convention Facilities	1103	Director, Convention Facilities	1.00	5,419	6,587	$175,359	$ 175,359	COB 4/23/04
		Subtotal - Convention Facilities	**1.00**				**$ 175,359**	
Public Health	1656	Head Accountant	1.00	2,502	3,041	$ 79,370	$ 79,370	COB 4/23/04
Public Health	1656	Head Accountant	1.00	2,502	3,041	79,370	79,370	COB 4/23/04
Public Health	2596	Employee Referral Director	1.00	2,582	3,138	82,711	82,711	COB 4/23/04
Public Health	2232	Senior Physician Specialist	0.13	4,372	5,315	138,722	18,034	
Public Health	2593	Health Program Coordinator	0.10	2,454	2,983	77,856	7,786	
Public Health	3422	Section Supervisor	1.00	1,918	2,332	60,865	60,865	
Public Health	2350	Instructor of Nursing	0.50	3,219	4,151	108,341	54,171	
Public Health	2235	Medical Director	0.50	5,269	6,404	167,144	83,572	COB 4/23/04

Funded Position Deletions

Department	Class	Title	FTE			Indlvidual	Cummulative	Layoff
		Subtotal - Public Health	**5.23**				$ 465,878	
Emergency Com. Dept.	0922	Facility Manager	1.00	2,564	3,437	$ 89,707	$ 89,707	COB 4/23/04
		Subtotal - Emergency Communications Dep	**1.00**				**$ 89,707**	
Environment	0953	Deputy Director III	1.00	3,698	4,954	$131,887	$ 131,887	COB 4/23/04
		Subtotal - Environment	**1.00**				**$ 131,887**	
Police	0490	Commander	1.00	5,549	5,549	$144,829	$ 144,829	
Police	0490	Commander	1.00	5,549	5,549	144,829	144,829	
		Subtotal - Police	**2.00**				$ 289,658	
Recreation & Parks	AC37	Area Supervisor	1.00	2,478	3,436	$ 89,680	$ 89,680	
Recreation & Parks	AC37	Area Supervisor	1.00	2,478	3,436	89,680	89,680	
Recreation & Parks	3291	Principle Recreation Supervisor	1.00	2,430	2,953	77,073	77,073	
Recreation & Parks	3291	Principle Recreation Supervisor	1.00	2,430	2,953	77,073	77,073	
Recreation & Parks	3291	Principle Recreation Supervisor	1.00	2,430	2,953	77,073	77,073	
Recreation & Parks	3291	Principle Recreation Supervisor	1.00	2,430	2,953	77,073	77,073	
Recreation & Parks	3285	Randall Museum Director	1.00	2,048	2,490	64,740	64,740	COB 4/23/04
		Subtotal - Recreation and Parks	**7.00**				$ 552,392	
		Total Supervisor and Manager Positions	**22.23**				$ 2,366,661	
PROPOSED PUBLIC HEALTH ADMINISTRATIVE DELETIONS								
Public Health	1444	SECRETARY I	1.00	1,436	1,740	45,414	45,414	COB 4/23/04
Public Health	1446	SECRETARY II	1.00	1,658	2,014	52,565	52,565	
Public Health	1920	INVENTORY CLERK	1.00	1,320	1,600	41,760	41,760	
Public Health	2586	HEALTH WORKER II	0.50	1,499	1,818	47,450	23,725	COB 4/23/04
Public Health	1822	ADMINISTRATIVE ANALYST	0.50	2,130	2,589	67,573	33,786	
Public Health	1452	EXECUTIVE SECRETARY II	1.00	1,970	2,395	62,510	62,510	
Public Health	2140	HOSPITAL ADMINISTRATIVE ASST	3.00	2,242	2,726	71,149	213,446	COB 4/23/04
Public Health	1450	EXECUTIVE SECRETARY I	1.00	1,805	2,194	57,263	57,263	COB 4/23/04
Public Health	1426	SENIOR CLERK TYPIST	0.50	1,506	1,827	47,685	23,842	COB 4/23/04
Public Health	1823	Senior Administrative Analyst	0.25	2,442	2,969	77,491	19,373	
		Total - Public Health Administrative Positions	**9.75**				$ 573,685	
		TOTAL =	**42.98**				**$ 3,541,335**	

Vacant (Unfunded) Position Deletions.

Department	Class	Title	FTE Count	Min. Salary	Max. Salary
Adult Probation	1432	Sr. Transcriptionist	1.00	1,658.00	2,014.00
Adult Probation	8444	Deputy Probation Officers	4.00	1,777.00	2,743.00
Aging and Adult	8482	Crime Prevention Worker	5.00	1,539.00	1,867.00
Aging and Adult	8488	Director, Crime Prevention Program	1.00	2,264.00	2,752.00
Assessor	4220	Personal Property Auditor	1.00	2,058.00	2,502.00
Assessor	4222	Sr Personal Property Auditor	1.00	2,383.00	2,896.00
Assessor	4261	Real Property Appraiser	1.00	2,058.00	2,502.00
Public Health	1012	IS TECHNICIAN - JOURNEY	1.00	1,736.00	2,110.00
Public Health	1052	IS BUS ANALYST	1.00	2,258.00	2,841.00
Public Health	1053	Sr IS Business Analyst	1.00	2,615.00	3,289.00
Public Health	1053	Sr IS Business Analyst	1.00	2,615.00	3,289.00
Public Health	1404	Clerk	1.00	1,323.00	1,603.00
Public Health	1404	Clerk	1.00	1,323.00	1,603.00
Public Health	1404	Clerk	1.00	1,323.00	1,603.00
Public Health	1404	Clerk	1.00	1,323.00	1,603.00
Public Health	1406	Sr Clerk	1.00	1,372.00	1,662.00
Public Health	1426	SR CLK TYPIST	0.50	1,506.00	1,827.00
Public Health	1823	Sr Admin Analyst	0.75	2,442.00	2,969.00
Public Health	2105	Pt Svcs Fincl Tech	1.00	1,510.00	1,831.00
Public Health	2110	Med Record Clerk	0.50	1,558.00	1,890.00
Public Health	2246	ASST DIR	1.00	2,835.00	3,446.00
Public Health	2312	LIC VOC NURSE	1.00	1,840.00	2,236.00
Public Health	2312	LIC VOC NURSE	0.25	1,840.00	2,236.00
Public Health	2320	RN	1.00	2,637.00	3,072.00
Public Health	2552	DIR THERAPY SV	0.20	2,151.00	2,614.00
Public Health	2604	Food Svc Worker	0.50	1,200.00	1,454.00
Public Health	2650	Assistant Cook	1.00	1,288.00	1,562.00
Public Health	2736	Porter	1.00	1,381.00	1,674.00
Public Health	2920	Med Social Wrkr	0.50	2,269.00	2,758.00
Public Health	3417	Gardener	1.00	1,580.00	1,918.00
Public Health	1064	IS PRG ANL PRN	0.80	2,759.00	3,470.00
Public Health	1204	SR PRSNL CLERK	1.00	1,698.00	2,063.00
Public Health	1424	CLERK TYPIST	1.00	1,375.00	1,666.00
Public Health	1426	SR CLK TYPIST	1.00	1,506.00	1,827.00
Public Health	1426	SR CLK TYPIST	0.50	1,506.00	1,827.00
Public Health	1426	SR CLK TYPIST	1.00	1,506.00	1,827.00
Public Health	1636	HEALTH CARE BILLING CLERK II	1.00	1,736.00	2,110.00
Public Health	2302	NURSING ASSISTANT	0.43	1,710.00	2,079.00
Public Health	2302	NURSING ASSISTANT	1.00	1,710.00	2,079.00
Public Health	2302	NURSING ASSISTANT+C45	1.00	1,710.00	2,079.00
Public Health	2542	SPEECH PATHOLOGIST	1.00	2,577.00	3,289.00
Public Health	2586	HEALTH WKR II	0.50	1,499.00	1,818.00
Public Health	2587	HEALTH WKR III	0.20	1,638.00	1,990.00
Public Health	2587	HEALTH WKR III	0.50	1,638.00	1,990.00

Department	Class	Title	FTE Count	Min. Salary	Max. Salary
Public Health	2587	HEALTH WKR III	1.00	1,638.00	1,990.00
Public Health	2587	HEALTH WKR III	1.00	1,638.00	1,990.00
Public Health	2588	HEALTH WORKER IV	1.00	1,914.00	2,326.00
Public Health	2588	HEALTH WORKER IV	1.00	1,914.00	2,326.00
Public Health	2594	EMP AST CNSLR	0.25	2,326.00	2,827.00
Public Health	2738	PORTER ASSISTANT SUPERVISOR	1.00	1,517.00	1,840.00
Public Health	2738	PORTER ASSISTANT SUPERVISOR	1.00	1,517.00	1,840.00
Public Health	2770	SENIOR LAUNDRY WORKER	1.00	1,342.00	1,626.00
Public Health	2803	EPIDEMIOLOGIST II	0.04	2,490.00	3,027.00
Public Health	2803	EPIDEMIOLOGIST II	1.00	2,490.00	3,027.00
Public Health	2846	NUTRITIONIST	0.50	2,269.00	2,758.00
Public Health	2920	MEDICAL SOCIAL WORKER	0.50	2,269.00	2,758.00
Public Health	2931	EMP AST CNSLR	0.50	2,269.00	2,758.00
Public Health	6120	ENVRN HLTH INS	1.00	2,607.00	3,169.00
Public Health	6137	AST IND HYGNST	0.75	2,161.00	2,627.00
Public Health	7334	STATIONARY ENGINEER	1.00	2,351.00	2,351.00
Public Health	7334	STATIONARY ENGINEER	1.00	2,351.00	2,351.00
Public Health	7344	CARPENTER	1.00	2,351.00	2,351.00
Public Health	7355	TRUCK DRIVER	1.00	1,886.00	2,402.00
Public Health	9924	JUNIOR CLERK	0.50	1,128.00	1,128.00
Public Health	9924	PSA-HLTHSRVCS	0.50	1,128.00	1,128.00
Human Resources	1209	Benefits Technician	2.00	1,554.00	1,886.00
Human Resources	1232	Training Officer	1.00	2,226.00	2,706.00
Juvenile Probation	1424	Clerk Typist	0.75	1,375.00	1,666.00
Juvenile Probation	8142	Public Defender Investigator	1.00	2,274.00	2,764.00
Juvenile Probation	8340	Assistant Director, Juvenile Hall	1.00	2,209.00	2,685.00
Juvenile Probation	8444	Probation Officers	4.00	1,777.00	2,743.00
MTA	1202	Personnel Clerk	1.00	1,470.00	1,782.00
MTA	1241	Personnel Analyst	1.00	1,784.00	2,625.00
MTA	1404	Clerk	1.00	1,323.00	1,603.00
MTA	1404	Clerk	1.00	1,323.00	1,603.00
MTA	1404	Clerk	1.00	1,323.00	1,603.00
MTA	1424	Clerk Typist	1.00	1,375.00	1,666.00
MTA	1424	Clerk Typist	1.00	1,375.00	1,666.00
MTA	1424	Clerk Typist	1.00	1,375.00	1,666.00
MTA	1426	Senior Clerk Typist	1.00	1,506.00	1,827.00
MTA	1426	Senior Clerk Typist	1.00	1,506.00	1,827.00
MTA	1444	Secretary I	1.00	1,436.00	1,740.00
MTA	1446	Secretary II	1.00	1,658.00	2,014.00
MTA	1450	Executive Secretary I	1.00	1,805.00	2,194.00
MTA	1773	Media Training Specialist	1.00	2,221.00	2,700.00
MTA	1842	Management Assistant	1.00	1,960.00	2,383.00
MTA	5203	Assistant Engineer	1.00	2,314.00	2,813.00
MTA	5211	Senior Engineer	1.00	3,679.00	4,471.00
MTA	5288	Transit Planner II	1.00	2,161.00	2,627.00
MTA	5364	Civil Engineering Associate I	2.00	1,932.00	2,348.00

Department	Class	Title	FTE Count	Min. Salary	Max. Salary
MTA	5366	Engineering Associate II	1.00	2,236.00	2,719.00
MTA	9126	Transit Traffic Checker	1.00	1,686.00	2,048.00
MTA	9139	Transit Supervisor	5.00	2,221.00	2,700.00
MTA	9197	Signal and Systems Engineer	1.00	4,342.00	4,342.00
MTA	9704	Employment & Training Specialist III	1.00	2,038.00	2,478.00
MTA	9910	Public Service Trainee	1.00		
MTA	9910	Public Service Trainee	1.00		
MTA	1022	IS Admin Analyst - II	1.00	2,120.00	2,577.00
MTA	1844	Management Assistant	1.00	2,247.00	2,732.00
MTA	1844	Senior Management Assistant	1.00	2,247.00	2,732.00
MTA	5302	Survey Technician	1.00	1,787.00	2,172.00
MTA	7332	Maintenance Machinist	3.00	2,004.00	2,435.00
MTA	0952	Deputy Director	1.00	2,969.00	3,979.00
Sheriff	1506	Confidential Secretary	1.00	2,130.00	2,589.00
Sheriff	8204	Institutional Police Officer	6.00	1,796.00	2,183.00
Sheriff	8205	Institutional Police Sergeant	3.00	2,053.00	2,496.00
Sheriff	8209	Institutional Police Lieutenant	1.00	2,264.00	2,752.00
Sheriff	8202	Security Guard	1.00	1,270.00	1,539.00
Sheriff	8204	Institutional Police Officer	1.00	1,796.00	2,183.00
Sheriff	8205	Institutional Police Sergeant	1.00	2,053.00	2,496.00
Sheriff	8304	Deputy Sheriff	15.00	2,085.00	2,559.00
Sheriff	8470	Exec. Directory County Parole Comm.	1.00	3,035.00	3,689.00
DTIS	1002	IS Operator - Journey	3.00	1,488.00	1,805.00
DTIS	1402	Junior Clerk	1.00	1,217.00	1,474.00
DTIS	1739	Computer Operations Supervisor II	1.00	2,430.00	2,953.00

Total = 144.42

March 18, 2004

To: Julian Low
Mayor's Budget Office

From: Daniel Lee
Adult Probation Department

Subject: ASO Amendment

The following details the impact of the mid-year lay-offs from the Adult Probation Department:

1426 Senior Clerk Typist

The position ensures that requests for pre-sentencing and other reports for the courts are properly tracked within the department. By statutes of the Penal Code, the courts cannot impose a sentence on an individual without a pre-sentencing report. Delays in the courts receiving these reports will result in continuance and the defendants be held in custody until the next court date.

This position also prepares data workup sheets used by probation officers in their recommendation of sentencing decisions. The workup sheets contains information including description as the circumstances of the offense, background of the defendant, statements from victims and involved parties, an analysis of aggravating/mitigating factors in felony cases, recommendations to aid the courts in making sentencing decisions

Elimination of this position will result in gaps when requests are made by the courts and timely submission of the reports.

4322 Cashier III

The department receives $1.2 millions in fees and restitutions. Elimination of this position will not only reduce the number of available personnel available for accepting fees and deposits, but also increase risks for managing funds received. Specific duties include: reconciliation of daily deposits, preparation of cash entries and restitution payments for victims via City's FAMIS accounting system.

1632 Sr. Account Clerk

This position serves as the payroll clerk and as a back-up cashier. Elimination of this position will result in having fewer staff available to handle cashiering duties. With this reduction, the department will have only two individuals available to handle payments. The department is contemplating the closure of the cashier office during the lunch hour.

1446 Secretary II

This position provides secretarial and clerical support to management. Elimination of this position will delay updates and revisions to existing policy and procedural manuals and reports for decision-making. This position was filled in response to a management audit by the Controller's Office in October 2000, which recommended the need for maintaining current policy and procedural manuals.

1410 Chief Clerk

This is a middle management position that oversees the typing pool and reception desk staff; and also coordinates training in the department. Elimination of this position will result in the department reverting to its previous organizational chart where these functions are performed by other staff.

City and County of San Francisco
Juvenile Probation Department

GWENDOLYN B. TUCKER
CHIEF PROBATION OFFICER

March 22, 2004

Harvey M. Rose
Harvey M. Rose Accountancy Corporation
1390 Market St # 1025
San Francisco, CA 94102

Dear Mr. Rose:

As you might know, the Juvenile Probation Department has had severe staffing reductions throughout the department over the past several years due to the continuing poor fiscal condition of the City. For example, we have had a 60% reduction in our Finance and Accounting Division alone during the past three fiscal years. We have reduced this division from a total of 10 staff to 4 due to retirements, budget cuts, transfers, and lay offs.

The following is the information you requested on the impacts of staff layoffs for Fiscal Year 2003-2004:

1. 1426 Senior Clerk Typist (2): These two positions were in our Probation Services Division and supported the work of our Probation Officers. Some of their key functions included typing and preparing various court reports, filing, photo copying, answering phone calls, scheduling meetings, and providing guidance and information to youths, parents, and families. Their duties were absorbed by probation officers and the remaining clerical staff. With the very recent installation of computers for probation officers, many of these clerical duties have now been automated allowing us to reduce clerical staffing with less of an impact than we would have previously experienced.
2. 1840 Junior Management Assistant: This position provided support for TANF (Temporary Assistance to Needy Families) related financial transactions. These transactions included processing invoices and purchases of materials and supplies. These functions were absorbed by the remaining Finance and Accounting staff. Procedures were adjusted to help streamline the process and reduce the impact of the increased responsibilities on the remaining staff. Control, accuracy, and timeliness of these processes are impacted as staff have more duties to cover with the ongoing staffing reductions.
3. 1844 Senior Management Assistant: This position provided oversight and supervision over the Purchasing function in the Finance and Accounting Division. Key functions of this position included supervision of the Purchasing staff and the Reception Desk staff, materials & supplies and service contract preparation, financial transaction approvals on FAMIS/ADPICS, and vehicle fleet management. These functions were primarily absorbed by the remaining Senior Storekeeper, Supervisor of Finance and Accounting, and the Director of Finance & Administration. Procedures were again adjusted to help

streamline the processes and reduce the impact of the increased responsibilities on the remaining staff. Control, accuracy, and timeliness of these processes are impacted as staff have more duties to cover with the ongoing staffing reductions.

4. 1932 Assistant Storekeeper: This position provided support in staffing our materials and supplies function in the Finance and Accounting Division. Key functions of this position included receiving and distribution of materials and supplies, preparing inventories of goods on hand, ordering supplies, assisting in recommending reorder points, and recommending specifications for supplies purchases. These functions were absorbed by the remaining Senior Storekeeper and Storekeeper. Procedures were again adjusted to help streamline the processes and reduce the impact of the increased responsibilities on the remaining staff. Control, accuracy, and timeliness of these processes are impacted as staff have more duties to cover with the ongoing staffing reductions.
5. 7524 Institutional Utility Worker: This position provided custodial and facility maintenance services for the Youth Guidance Facility. Key functions of this position included cleaning and sanitizing the Juvenile Hall housing units, troubleshooting and repairing minor facility problems, changing light bulbs and fixtures, and moving furniture and other heavy objects. These functions were absorbed by the remaining Institutional Utility Workers as well as the Custodial staff. The cleaning and sanitizing of the Juvenile Hall housing units is not impacted as this is the top priority and is required by various Health and Safety codes as well as State Board of Corrections requirements. However, the custodians and remaining utility workers will have less time to clean and maintain other areas of Juvenile Hall and the Administration/Court offices which could have an impact on the health and safety of the staff and public that use the facility.

Please contact me at your convenience if you need to discuss this or obtain additional information.

Best regards,

Gwendolyn B. Tucker
Chief Probation Officer

Cc: William M. Johnston-Assistant Chief Probation Officer
Mark S. Lui-Director of Finance and Administration

City and County of San Francisco

Department of Public Health

Gregg Sass
Chief Financial Officer

MEMORANDUM

March 18, 2004

To: Julian Low
Mayor's Budget Office

From: Gregg Sass
Chief Financial Officer
Department of Public Health

Subject: ASO Amendment

The ASO Amendment currently pending at the Board Of Supervisor's contains the reduction of 61.65 FTEs (when corrected) from the FY 2003-04 budget for the Department of Public Health (Department). The reduction of the 61.65 FTEs resulted in layoff notices being issued to nine employees (8.5 FTEs) and one additional employee (1 FTE) was reassigned to another position within the Department.

Of the total list of FTE's, 46.67 were vacant and unfunded positions. These were selected for reduction since they have not been filled for over one year in order for the Department to achieve the budgeted salary savings. The impact of the reduction of these positions on services is not significant.

Of the remaining 14.98 FTEs, 5.23 are in the category of Supervisor and Manager Deletions and 3.5 of those were filled. The remaining 9.75 are Administrative Deletions and 5 FTEs are filled. The job duties of all the 14.98 FTEs are administrative and support and the goal is to make these cuts without impacting service levels. Reduction of administrative and support staff will increase the workloads for the remaining staff and result in delays in completing work. The remaining workforce will be required to work harder.

If additional information is required, please contact me at 554-2610.

March 19, 2004

To: Mayor's Budget Office

From: Michael S. Frank
Director of Administration and Finance
Recreation and Park Department

Re: ASO Amendment

Overview

Over the last year, the Department has been moving towards a new organizational structure. The operations' components of the Department will be structured around four geographic quadrants that have lines synonymous with Supervisorial districts. The middle management consolidation proposal is consistent with this reorganization. The proposal eliminates an entire layer of supervision in our neighborhood parks' sections and reduces eleven positions. First line supervisors on the park maintenance side and the recreation side would report directly to four Assistant Superintendents who are each assigned one quadrant of the City. The proposal increases accountability by having one person responsible and knowledgeable for a particular quadrant. This would include budget authority and responsibility, goal and performance setting, and addressing customer service issues. Lastly, the director position at the Randall Museum would also be eliminated and be funded by the Friends of Randall Museum.

The proposal includes creating five Regional Park Managers (0922) for Golden Gate Park, Stern Grove, McLaren Park, Lake Merced, and Glen Park. These positions would be newly defined and have integrated responsibility for recreational programs and park maintenance as well as coordinating concessions and capital projects in those regional parks. In addition, these positions would be able to maximize resources by coordinating and increasing volunteer resources and grant and fundraising opportunities.

The savings generated by this proposal are $755,100 In FY 04/05.

Mid-Year FY 03/04 $156,000 savings for two months (Assumes notices issued Feb. 23)

- **Eliminate** 3 FTE 3464 Area Supervisor positions (2 layoffs and 1 recent retirement)
- **Eliminate** 6 FTE 3291 Principle Recreation Supervisor positions (6 layoffs)
- **Eliminate** 1 FTE 3285 Randall Museum Director (1 layoff)

FY 04/05 $755,100 annual savings

- Annual savings from mid-year reductions
- **Eliminate** 1 FTE 1822 Management Assistant position (1 layoff at Randall Museum eff. 9/1/04)
- **Eliminate** 1 FTE 3464 Area Supervisor position (1 layoff eff. 9/1/04)
- **Substitute** 5 FTE 0922 Manager I positions (Positions assumed filled 9/1/04 and one funded by PUC for Lake Merced Regional Park.)

Item 8 – File 04-0037

Note: This item was continued by the Finance and Audits Committee at its meeting of March 24, 2004. Mr. Gary Dowd of the PUC and Mr. Steve Legnitto of the RED were requested to report back to the Finance and Audits Committee concerning various issues at (a) 424 Mason Street, including its potential sale and (b) 875 Stevenson Street. Mr. Legnitto was also requested by the Committee to explore lease site alternatives to the proposed 1145 Market Street facility.

Department:	Public Utilities Commission (PUC) Department of Administrative Services, Real Estate Division (RED)
Item:	Resolution authorizing a new lease of 30,790 square feet of office space in a building located at 1145 Market Street, San Francisco for the City and County of San Francisco Public Utilities Commission.
Location of the Proposed Lease:	The entire first, eighth, and tenth floors, and a portion of the fourth floor of the 12-story office building located at 1145 Market Street.
Lessor:	The Sangiacomo Family Trust, Angelo Sangiacomo and Yvonne Sangiacomo, Co-Trustees
Lessee:	City and County of San Francisco, acting by and through the PUC
Rentable Square Footage:	30,790 rentable square feet
Amount:	$2,385,471
Source of Funds:	$221,734 from the PUC's FY 2003-2004 budget and $2,163,737 from the $16,719,301 pending supplemental appropriation request under (File No. 04-0094) of the Budget Analyst's March 24, 2004 report to the Finance and Audits Committee.
Rent Payable by the PUC to the Sangiacomo Family Trust:	$64,145.83 monthly (approximately $2.08 per square foot per month), or $769,750 annually ($25.00 per square foot). The rent would remain the same during the entire term of the four-year lease, and there would neither be any Consumer Price Index (CPI) adjustments nor any operating expense pass-throughs.

Term of the Proposed Lease: Four years, commencing upon the substantial completion of the leasehold improvements by the lessor. According to Mr. Jerry Romani of the Real Estate Division (RED), the estimated commencement date of the subject lease is May 1, 2004.

Option to Renew: Two five-year options (see Comment No. 9)

Utilities and Janitor Services: To be provided by lessor.

Leasehold Improvements: The proposed lease requires that the lessor complete the leasehold improvements prior to commencement of the lease at a total maximum cost of $1,094,008, of which $369,480 would be paid for by the lessor and a maximum of up to $724,528 would be funded by the PUC (see Comment Nos. 4 and 5). Attachment I, provided by Mr. Romani, contains a budget, source of funds, and scope of work for the leasehold improvements under the proposed lease. According to Mr. Romani, construction work is expected to begin in March of 2004 and be completed by May 1, 2004, at which time the subject lease would commence.

Description: The Public Utilities Commission (PUC) is currently leasing approximately 140,000 rentable square feet of space for administrative offices in the building located at 1155 Market Street, which is adjacent to the subject proposed facility at 1145 Market Street. Of the 140,000 rentable square feet of space at 1155 Market Street, approximately 48,318 rentable square feet of space, on the third, sixth, seventh, and ninth floors, is currently used to accommodate 274[1] PUC Water System Capital Improvement Project (CIP) staff positions. According to Mr. Harlan Kelly Jr. of the PUC, the PUC intends to lease space at 1145 Market Street in order to accommodate 89 additional Water System CIP staff persons, to be hired by the PUC (see Comment

[1] As stated on Page 2 of Attachment II provided by Mr. Harlan Kelly Jr. of the PUC, "Currently the CIP group occupies approximately 274 spaces at 1155 Market (212 Budgeted Filled Positions, 9 positions from other City Departments, 36 consultants and 17 student interns) in approximately 48,318 rentable square feet of space at 1155 Market Street, or an average of 176 rentable square feet per person." There is no space allocated for 77 existing PUC positions which are currently vacant, according to Mr. Kelly.

No. 1). As stated on Page 1 of Attachment II provided by Mr. Kelly, "Due to the time parameters and exacting conditions of the new CIP schedule, additional staff resources are needed which require the leasing of additional space to accommodate this increase in CIP staff." According to Mr. Kelly, under the proposed lease, the PUC would lease 30,790 rentable square feet of space in the building at 1145 Market Street at a rental cost of $64,145.83 monthly (approximately $2.08 per square foot), or $769,750 annually ($25.00 per square foot), to provide space for a total of 115 Water System CIP positions.

Comments:

Space Needs

1. As shown on Page 1 of Attachment II, the Water System CIP currently has (a) 289 budgeted positions consisting of 212 filled PUC positions and 77 vacant PUC positions, (b) nine positions from other City Departments, (c) 36 consultants, and (d) 17 student intern positions associated with the Water System CIP, for a total of 351 positions. Mr. Kelly reports that the PUC anticipates adding 12 new PUC positions, for a total of 363 positions in the Water System CIP. Mr. Kelly further reports that the PUC anticipates hiring an additional 89 staff persons to fill the 77 vacant positions and 12 new positions in the Water System CIP.

Mr. Kelly advises that of the 12 new positions, six will be included in the FY 2004-2005 budget and six are included in the supplemental appropriation as discussed in the Budget Analyst's March 24, 2004 report to the Finance and Audits Committee under Files 04-0094 and 04-0095. The Budget Analyst notes that of the six positions included in the supplemental appropriation, the Budget Analyst is recommending approval of only three positions (see Files 04-0094 and 04-0095).

Attachment III, provided by Mr. Kelly, provides further details about the (i) 212 filled PUC positions, (ii) 77 vacant PUC positions, (iii) 12 new PUC positions, (iv) 36 consultants, and (v) nine positions from other City Departments.[2] As shown in the table on Page 2 of Attachment II, the PUC anticipates accommodating

[2] Attachment III does not provide further information on the 17 student intern positions.

approximately 115 staff persons in the proposed subject leased space at 1145 Market Street out of the total anticipated staff of 363 positions. The remaining 248 staff persons would be located at 1155 Market Street, occupying 48,318 square feet of space, for a total of 363 Water System CIP staff persons to be located in both buildings. Currently, there are 274 Water System CIP positions now located at 1155 Market Street. According Mr. Kelly, the reason that there would only be 248 Water System CIP positions at 1155 Market Street if the proposed lease is approved, resulting in a reduction of 26 positions, or 9.5 percent, is because more square feet per employee is needed. The square footage per employee would increase from 176 square feet per person to 195 square feet per person.

2. As stated on Page 2 of Attachment II, the PUC currently accommodates approximately 274 Water System CIP staff persons at 1155 Market Street. Mr. Kelly reports that the 274 Water System CIP staff occupy approximately 48,318 rentable square feet of office space at 1155 Market Street, or an approximate average of 176 rentable square feet per CIP staff person. As shown in Attachment II, once the 77 vacant positions are filled and 12 new positions are hired, increasing the total Water System CIP staff to 363 persons, Mr. Kelly reports that:

- Approximately 248 Water System CIP staff persons, which is 26 staff persons less than the current 274 Water System CIP staff persons, will be accommodated in the approximately 48,318 square feet of office space at 1155 Market Street, or an average of 195 rentable square feet per CIP staff person.

- The remaining approximately 115 Water System CIP staff persons (total of 363 less 248) will be accommodated in the approximately 26,684 rentable

square feet of office space[3] at the proposed subject leased space at 1145 Market Street, or an average of 232 rentable square feet per CIP staff person.

As stated on Page 3 of Attachment II, "For comparison, the Real Estate Division reports that the Department of Public Works has approximately 250 rentable square feet per person for similar space usage at the leased facility at 30 Van Ness."

Attachment II explains that the average rentable square footage per person at 1145 Market Street will be greater than the average rentable square footage per person at 1155 Market Street because of different office and cubicle space configurations and different common area space needs.

The table below provides a summary comparison of (a) the current Water System CIP staffing and rental space under the existing lease at 1155 Market Street, and (b) the proposed staffing and rental space at 1155 Market Street and 1145 Market Street if the proposed lease at 1145 Market Street is approved by the Board of Supervisors.

	1145 Market St.	1155 Market St.
Current Occupied Space		
No. of Rentable Square Feet	-	48,318
Total Existing CIP Staff	-	274
Rentable Square Feet Per Employee	-	176 s.f.
Proposed Occupied Space		
No. of Rentable Square Feet	26,684	48,318
Total Proposed CIP Staff	115	248
Rentable Square Feet Per Employee	232 s.f.	195 s.f.

[3] According to Mr. Kelly, of the 30,790 rentable square feet of leased space at the proposed 1145 Market Street facility, 26,684 rentable square feet will be occupied by the Water System CIP staff consisting of 115 positions. The remaining 4,106 rentable square feet on the 4th floor will be occupied by the SFPUC Planning Division. Mr. Romani notes that the SFPUC Planning Division has been leasing approximately 4,837 rentable square feet on the 4th floor under a separate lease since April of 1996. If the subject proposed lease is approved by the Board of Supervisors, Mr. Kelly advises that 35 PUC Planning Division positions would occupy approximately 8,943 square feet of space (4,837 square feet plus 4,106 square feet), or approximately 256 square feet per person.

3. The Budget Analyst notes that, as shown in Attachment III, the PUC anticipates filling its 77 vacant positions and 12 new positions progressively from March of 2004 through June of 2005. Attachment V, provided by Mr. Kelly is a memorandum describing the justification for the space at both 1145 Market Street and 1155 Market Street.

Leasehold Improvements

4. The estimated total leasehold improvements cost of $1,094,008, consists of approximately $542,906 for tenant improvements, or approximately $17.63 per square foot, approximately $458,732 for 94 workstation units, or $4,880 each, and a maximum of $92,370 for architectural fees, as shown in Attachment I. Based on negotiations, the Lessor would pay $369,480 ("Allowance") in leasehold improvement costs, or 58.2 percent of the tenant improvements and architectural fees estimated to cost a total of $635,276 (excluding the $458,732 for workstation units). The City would reimburse the Lessor for any costs exceeding $369,480, up to $724,528, resulting in a total maximum cost of $1,094,008 in leasehold improvements ($369,480 plus $724,528). According to Ms. Hazel Brandt of the City Attorney's Office, under the provisions of the subject lease, in no event shall the City's share exceed $724,528.

5. As noted above, the subject lease agreement requires that the lessor complete the leasehold improvements. According to Ms. Brandt, under provisions of the subject lease, the lessor would prepare final plan specifications and pricing plans related to the tenant improvements, which are subject to the City's prior approval. Ms. Brandt advises that the lessor is obligated under the subject lease to construct the leasehold improvements in accordance with City approved construction documents.

Budget

6. Attachment IV, provided by Mr. Kelly, contains a budget and all funding sources for all costs associated with the subject lease, totaling $2,385,471. Mr. Kelly reports that of the $2,385,471 total cost, $221,734 would be from funds previously appropriated by the Board of Supervisors during

the FY 2003-2004 budget, and $2,163,737 would be funded from the $16,719,301 pending supplemental appropriation request under File 04-0094.

7. According to Mr. Kelly, the rent cost of $231,244, as shown in the Attachment IV budget, is based on estimated move-in dates that are staggered between February 1, 2004 and June 30, 2004. Mr. Romani advises that the subject lease for the entire 30,790 rentable square feet is expected to commence on May 1, 2004, if the tenant improvements are completed. Therefore, the Budget Analyst recommends reducing the rent cost from $231,244 to $128,292, or by $102,952 to reflect the estimated May 1, 2004 lease commencement date. The Budget Analyst's recommended rent cost of $128,292 for FY 2003-2004 is based on a monthly rent cost of $64,145.83 x two months of rent (May and June) in FY 2003-2004. This recommendation is reflected in the Budget Analyst's report in File 04-0094.

8. The budget contains $426,162 for the cost of furniture, which includes $39,765 to furnish five Manager's Offices, or $7,953 per Manager's Office, and $228,698 to furnish 41 Standard Offices, or $5,578 per Standard Office, as shown on Page 2 and 3 of Attachment IV. The Budget Analyst recommends reducing the cost of furniture by $107,451, from $426,162 to $318,711, to reflect a more reasonable estimate of such furniture costs. The Budget Analyst's recommended cost of furniture totaling $318,711 is based on estimates obtained online for comparable furniture. The estimates obtained online include (a) the cost of one manager's office desk at $947 versus the PUC's budgeted cost of $4,000, (b) the cost of one standard office lateral file cabinet at $326 versus the PUC's budgeted cost of $700, and (c) the cost of one manager's shelf at $129 versus the PUC's budgeted cost of $300. This recommendation is reflected in the Budget Analyst's report in File 04-0094.

Options to Renew

9. The proposed lease agreement includes two five-year options to renew the lease with all of the same provisions of the proposed subject lease agreement, with the exception of the rent. Mr. Romani advises that under the proposed lease, if the City chooses to exercise one or both of its two

five-year options to renew, the monthly rental payment would be 95 percent of the prevailing market rate, which would be determined by the lessor. However, if the City disputes the lessor's determination, the prevailing market rate would be determined by either the average of two independent appraisers, or by a third independent appraiser, to be retained by both parties.

Fair Market Value

10. Mr. Romani states in Attachment I that, "It is the opinion that considering all factors, the flat rent of $25 per square foot, which includes full services but does not contain any operating expense pass-throughs, represents fair market value."

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

City and County of San Francisco
Real Estate Division
Administrative Services Department

MEMORANDUM

March 9, 2004

TO: Leanne Nhan
Budget Analyst's Office

FROM: Jerry Romani
Principal Real Property Officer

SUBJECT: PUC Leasehold Improvement Budget/Tenant Improvement Cost Estimates for Lease at 1145 Market St., San Francisco

Source of Funds (Leasehold Improvement Work Budget)

Landlord's Allowance:	$369,480
City's Contribution:	$724,528
TOTAL	$1,094,008

Estimated Budget (Contractor's Cost Estimates for Leasehold Improvement Work)

Tenant Improvements:	$542,906
Workstations (94):	$458,732
Architectural Fees (max.)	$ 92,370
TOTAL	$1,094,008

Rent Cost

It is the opinion that considering all factors, the flat rent of $25 per square foot, which includes full services but does not contain any operating expense pass-throughs, represents fair market value.

(415) 554-9850
FAX: (415) 552-9216
Office of the Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, 94102

TENANT IMPROVEMENTS
1145 MARKET STREET - PUC FLOORS 1,4,8 and 10
BID PROPOSAL HARD COST BREAKDOWN

General Conditions	$	33,852
Demo	$	20,800
Carpentry	$	17,936
Millwork		NIC
Doors/Frms/Hardwre	$	23,155
Stone ceramic tile		NIC
Toilet Accessories		NIC
Glass and Glazing	$	9,425
Drywall	$	39,568
Acoustic Ceiling	$	12,382
Floor Covering	$	103,210
Painting /wallcovering	$	42,527
HVAC	$	22,470
Plumbing	$	6,678
Fire Protection	$	9,176
Electrical/Life safety	$	71,196
Final Clean	$	6,500
Permit Fees	$	8,500
Signage/keys/FEC	$	3,000
Blinds		NIC
TOTAL:	$	430,375
FEE (5%)	$	21,519
SUB TOTAL:	$	451,894
CONTINGENCY 10%	$	45,189
Code Change Orders*	$	45,823
GRAND TOTAL:	$	542,906

* Note: The Code Change Orders accounts for any escalating costs due to reasons such as increased building permit fees, any additional work required by City plan checkers or onsite inspectors not shown on the working drawings, possible relocation of existing HVAC ducts, sprinker heads, etc.

SFPUC
SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Office of the Assistant General Manager, Infrastructure
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E. Dennis Normandy
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Vice President

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Ann Moller Caen
Adam Werbach
Ryan L. Brooks

Patricia E. Martel
General Manager

Harlan L. Kelly, Jr.
Assistant General
Manager
Infrastructure

MEMORANDUM

TO: Leanne Nhan
Budget Analyst

DATE: March 8, 2004

FROM: Harlan L. Kelly, Jr.
Assistant General Manager

SUBJECT: CIP Support Costs: Increase in Office Space

Background:

The reorganization of the Infrastructure Division that manages the CIP is intended to make roles and responsibilities explicit, enhance organizational capacity, and foster cross-disciplinary interactions to increase and ensure staff productivity. The overall objective is to incorporate flexibility and agility into the organizational structure in order to meet the rapidly changing demands of a long-term, large-scale, multi-jurisdictional program such as the CIP. Due to the time parameters and exacting conditions of the new CIP schedule, additional staff resources are needed which require the leasing of additional space to accommodate this increase in CIP staff.

Staffing Budget:

With 289 budgeted positions, 62 consultants/students, and 12 new positions, SFPUC will need approximately 363 spaces to accommodate all positions as projected below.

PUC Budgeted Positions Filled	212	
PUC Budgeted Vacant Positions	77	
Total Budgeted Positions		289
Consultants	36	
Student Interns	17	
Staff from		
Other City Departments	9	
Subtotal		62
New Positions – Supplemental	6	
New Positions – FY 04-05 Budget	6	
Total New Positions		12
Total CIP Positions Projected		363

There are 36 consultants of which 5 consultants are involved in training and organizational development and 31 consultants provide the CIP with continued administrative, financial and system support. There are 9 staff persons from other City departments to provide administrative, financial and system support. There are 17 interns, 4 high school student interns from the Mayor's Office Project Pull program and 13 SFPUC student engineer interns.

At this time the staffing projections are based on current information on project schedules. SFPUC anticipates that the 77 vacant and 12 new positions will be filled by June 2005 given the approval of the 1145 Market St. lease and the timing of the City wide hiring process.

Increase in Office Space:

In September 2003 the SFPUC completed its consolidation of administrative staff from various locations into the office building at 1155 Market St. Currently the CIP group occupies approximately 274 spaces (212 Budgeted Filled Positions, 9 positions from other City Departments, 36 consultants and 17 student intern positions) in approximately 48,318 square feet of space at 1155 Market Street, or an average of 176 rentable square feet per person.

Since SFPUC staff occupies the entire building at 1155 Market St., it would be efficient to lease the available 30,790 square feet in the adjacent office building at 1145 Market St. to accommodate the hiring of the 77 vacant and 12 new positions. SFPUC is expecting that 248 spaces will be required at 1155 Market St. and 115 CIP spaces at 1145 Market, for a total of 363 spaces, as shown.

Based on expected full staffing date of June 30, 2005.

	1155 Market	1145 Market	Total
Budgeted Positions *	218	83	301
Consultants & Students	30	32	62
Total Spaces	248	115	363

Staffing at 1155 Market St.:
The technical divisions of the CIP (engineering, construction management and project management) are expected to remain in 1155 Market Street. The approximately 48,318 square feet of space divided by the required 248 spaces yields 195 rentable square feet per person.

Staffing at 1145 Market St.:
The administrative and program development and support divisions of the CIP are expected to relocate to 1145 Market from 1155 Market Street. Since SFPUC Planning Department will be occupying the 4th Floor at 1145 Market St., the 4th floor is not included in the analysis. The total square footage at 1145 Market St. is as follows:

Floor	Square Footage
1st	6,541
8th	11,305
10th	8,838
	26,684
4th	4,106
Total	30,790

The floors available to the CIP group include the 1st, 8th and 10th of which space will be needed for 115 positions consisting of 57 filled budgeted positions, 26 vacant budgeted positions and 32 consultants. Common space will also be required on each floor for a conference room, training room, reception area, break room and a storage room. The CIP group's 26,684 square feet (excluding the 4,106 square feet on 4th floor space occupied by the Planning Dept.) divided by the required 115 spaces yields approximately 232 square feet per person.

As noted, currently the CIP staff at 1155 Market St. occupies approximately 176 rentable square feet per person. For comparison, the Real Estate Division reports that the Department of Public Works has approximately 250 rentable square feet per person for similar space usage at the leased facility at 30 Van Ness Ave.

Below is a comparison of the average square foot per person at each building.

	Proposed at 1155 Market St.	Proposed at 1145 Market St.
Total Square Footage	48,318	26,684*
Total Employees	248	115
Average SF	195 sf	232 sf

*The positions and square footage in the table above
does not include the 4,106 sf space used by the PUC Planning Department.

Explanation of Difference in Square Footage between 1145 and 1155 Market:

1. There are approximately 30 and 35 built-in offices located at 1145 and 1155 Market St. respectively. Since there will be more cubicle spaces for the engineering staff at 1155 Market St. than at 1145 Market St., where the administrative and executive staff will be located, the square footage per person required at 1155 Market St. should be lower than 1145 Market St.
2. Contract administration and operations will be located at 1145 Market St. There will be larger conference rooms required to conduct the bidding meetings as well as additional storage for contract files. Additionally there will be a counter space serving as the reception area for the contracts department to meet with the public.
3. CIP Public Outreach and the Training Division will be located at 1145 Market St.. There will be conference rooms required to hold public meetings and training sessions.

List of Filled Positions

	Class	Title	Name
1	5166	AGM Infrastructure	Harlan Kelly Jr.
2	5189	Manager, UEB, PUC	Mike Quan (Acting)
3	0941	Manager VI	Carol Isen
4	0941	Manager VI	Jeet Bajwa
5	1372	Special Assistant XIII	Marge Layne
6	1404	Clerk	Abel Zamarripa
7	1404	Clerk	Delia Quintero
8	1404	Clerk	Isaac Tam
9	1404	Clerk	Joean Wright
10	1406	Sr. Clerk	Cesar Borja
11	1406	Sr. Clerk	Curtis Allen
12	1406	Sr. Clerk	Phyllis Porter
13	1406	Sr. Clerk	Tina Panziera
14	1406	Sr. Clerk	Wayne Ollila
15	1410	Chief Clerk	Sogra Kadir
16	1424	Clerk Typist	Jade Quach
17	1424	Clerk Typist	Karen Lim
18	1426	Sr. Clerk Typist	Ceres de la Paz
19	1426	Sr. Clerk Typist	Charlene De Dios
20	1426	Sr. Clerk Typist	Fay Deconinck
21	1426	Sr. Clerk Typist	Lisa Thomas
22	1426	Sr. Clerk Typist	Moni Vibal
23	1426	Sr. Clerk Typist	Peter Del Campo
24	1426	Sr. Clerk Typist	Roberta Boyd
25	1426	Sr. Clerk Typist	Trina Ramirez
26	1446	Secretary II	Angela Chan
27	1446	Secretary II	Connie Chang
28	1446	Secretary II	Connie Gruber
29	1446	Secretary II	Cynthia Dela Cruz
30	1446	Secretary II	Feli Delgado
31	1446	Secretary II	Judith Meyer
32	1446	Secretary II	Monica Menchini
33	1446	Secretary II	Pilar Salvador
34	1446	Secretary II	Shirley Simpliciano
35	1450	Exec Secretary I	Carmelita Navarro
36	1450	Exec Secretary I	Dibbie Yeung
37	1450	Exec Secretary I	Gigi Borromeo
38	1450	Exec Secretary I	Jenny Lee
39	1450	Exec Secretary I	LeeAnn Prifti
40	1450	Exec Secretary I	Marie Aure-Flierder
41	1450	Exec Secretary I	Nora Molina
42	1450	Exec Secretary I	Valencia Russell
43	1452	Exec Secretary II	Brenda Jones
44	1632	Sr. Account Clerk	Prince Hallowell
45	1632	Sr. Account Clerk	Wendy Huang
46	1634	Principal Account Clerk	Teresita Tina
47	1823	Sr. Admini Analyst	Al Padua
48	1823	Sr. Admini Analyst	Anna Wong
49	1823	Sr. Admini Analyst	Bert Felix
50	1823	Sr. Admini Analyst	David Deasy
51	1823	Sr. Admini Analyst	David Letterman
52	1823	Sr. Admini Analyst	Jim Howells
53	1823	Sr. Admini Analyst	Jon Winge
54	1823	Sr. Admini Analyst	Lee Okumoto
55	1823	Sr. Admini Analyst	Linda Denan
56	1823	Sr. Admini Analyst	Pauline Lam
57	1823	Sr. Admini Analyst	Rosiana Tamsil

List of Filled Positions

	Class	Title	Name
58	1824	Assistant To AGM	Edgar Poma
59	1824	Principal Admini. Analyst	Jan Darby
60	1824	Principal Admini. Analyst	Lourdes Cunanan
61	1827	Admini Services Manager	John Cretan
62	1844	Sr. Management Assistant	Diane Zagorites
63	1844	Sr. Management Assistant	Evangelina Lim
64	1844	Sr. Management Assistant	Joe Cowan
65	5133	Program Manager II	Wendy Iwata
66	5138	Program Manager I	Leonard Swanson
67	5162	Program Manager III	Boon Lim
68	5162	Program Manager III	Susan Yee (Acting)
69	5201	Jr. Engineer	Jack Lin
70	5201	Jr. Engineer	Jose Calle
71	5201	Jr. Engineer	Joseph Buitrago
72	5201	Jr. Engineer	Napoleon calimlim
73	5201	Jr. Engineer	Noreen Chan
74	5201	Jr. Engineer	Renee Rosario
75	5203	Assistant Engineer	Annie Li
76	5203	Assistant Engineer	Carol De Graca
77	5203	Assistant Engineer	Deidre Appel
78	5203	Assistant Engineer	Enriqusta Reyes
79	5203	Assistant Engineer	Emie Barrientos
80	5203	Assistant Engineer	Garret Low
81	5203	Assistant Engineer	Jack Wu
82	5203	Assistant Engineer	Jean Botro
83	5203	Assistant Engineer	Jeanne Sum
84	5203	Assistant Engineer	Lawrence So
85	5203	Assistant Engineer	Sam Chan
86	5203	Assistant Engineer	Sarah Blain
87	5203	Assistant Engineer	Thomas Jung
88	5203	Assistant Engineer	Yoli Quisao
89	5207	Assoc. Engineer	Allen Lim
90	5207	Assoc. Engineer	Chiu Lui
91	5207	Assoc. Engineer	Duk-Soo Choi
92	5207	Assoc. Engineer	Eric Gee
93	5207	Assoc. Engineer	Emie Ricardo
94	5207	Assoc. Engineer	Gino Grundy
95	5207	Assoc. Engineer	Henry Kwan
96	5207	Assoc. Engineer	Jaime Ramirez
97	5207	Assoc. Engineer	James Sakai
98	5207	Assoc. Engineer	Jeannie Mak
99	5207	Assoc. Engineer	Jeff Young
100	5207	Assoc. Engineer	Joseph Chan
101	5207	Assoc. Engineer	Kirit Bovishi
102	5207	Assoc. Engineer	Leroy Gullette
103	5207	Assoc. Engineer	Louis Schuman
104	5207	Assoc. Engineer	Mai Huan
105	5207	Assoc. Engineer	Manuel Rodriquez
106	5207	Assoc. Engineer	Mary Jim
107	5207	Assoc. Engineer	Michael Tennant
108	5207	Assoc. Engineer	On-Si Lam
109	5207	Assoc. Engineer	Paul Louie
110	5207	Assoc. Engineer	Pravin Shelat
111	5207	Assoc. Engineer	Ralph Leong
112	5207	Assoc. Engineer	Robert Tonjes
113	5207	Assoc. Engineer	Roger Tam
114	5207	Assoc. Engineer	Ron Yee

List of Filled Positions

	Class	Title	Name
115	5207	Assoc. Engineer	Santokh Kahlon
116	5207	Assoc. Engineer	Stephanie Wong
117	5207	Assoc. Engineer	Suzanne Melville
118	5207	Assoc. Engineer	Tedman Lee
119	5207	Assoc. Engineer	Vivian Chow
120	5207	Assoc. Engineer	Wilson Lew
121	5211	Sr. Engineer	Alan T. Wong
122	5211	Sr. Engineer	Allan Johanson (Acting)
123	5211	Sr. Engineer	Bijan Ahnadzadeh
124	5211	Sr. Engineer	Bill Melia
125	5211	Sr. Engineer	Carol Finucane
126	5211	Sr. Engineer	Carolyn Chiu
127	5211	Sr. Engineer	Ernie Tom
128	5211	Sr. Engineer	Fonda Davidis
129	5211	Sr. Engineer	Frank Mangold
130	5211	Sr. Engineer	Gilbert Tang
131	5211	Sr. Engineer	Hector Mau
132	5211	Sr. Engineer	John Hetzner
133	5211	Sr. Engineer	Luke Cheng
134	5211	Sr. Engineer	Mohammad Kohgadai
135	5211	Sr. Engineer	Patrick Lau
136	5211	Sr. Engineer	Saed Toloui
137	5212	Principal Engineer	Don Chan
138	5212	Principal Engineer	Kathy How
139	5212	Principal Engineer	Steve Maiolini
140	5241	Engineer	Abdi Abdirahman
141	5241	Engineer	Albert Eng
142	5241	Engineer	Albert Tom
143	5241	Engineer	Alice Yan
144	5241	Engineer	Angus Y I Chen
145	5241	Engineer	Art Bree
146	5241	Engineer	Barbara Palacios
147	5241	Engineer	Bill Wong
148	5241	Engineer	David Hung
149	5241	Engineer	David Quinones
150	5241	Engineer	Francis McCormick
151	5241	Engineer	Joe Haas
152	5241	Engineer	Kathleen Price
153	5241	Engineer	Kevin Barteaux
154	5241	Engineer	Kevin Costello
155	5241	Engineer	Mongkol Mahavongtrakul
156	5241	Engineer	Peter Cheng
157	5241	Engineer	Rizal Villareal
158	5241	Engineer	Romeo Rombawa
159	5241	Engineer	Ruperto Gonzales
160	5241	Engineer	Thomas Hull
161	5270	Sr. Architect	Jim Buker
162	5312	Survey Assistant II	Tom Checkowitz
163	5314	Survey Associate	D. Buck
164	5346	Mechanical Engineering Assoc. I	Fernando Delos Reyes
165	5346	Mechanical Engineering Assoc. I	Igor Gindin
166	5354	Electrical Engineering Assoc. I	James Fong
167	5354	Electrical Engineering Assoc. I	Jose Nuguid
168	5354	Electrical Engineering Assoc. I	May Shao
169	5362	Civil Engineering Assistant	Ping Ping Yuen
170	5362	Civil Engineering Assistant	Posee Cheung
171	5362	Civil Engineering Assistant	William Xie

List of Filled Positions

	Class	Title	Name
172	5364	Civil Engineering Assoc. I	Irene Yu
173	5364	Civil Engineering Assoc. I	Margarita McKinney
174	5364	Civil Engineering Assoc. I	Tracy Cheong
175	5366	Engineering Assoc. II	Lawrence Tom
176	5408	Coordinator of CIP Outreach	Lihmeei Leu
177	5502	Project Manager I	Bessie Tam
178	5502	Project Manager I	Bryan Dessaure
179	5502	Project Manager I	Johnny Wong
180	5502	Project Manager I	Ryan Cayabyab
181	5504	Project Manager II	Calvin Huey
182	5504	Project Manager II	Johnson Lim
183	5504	Project Manager II	Kate Read
184	5504	Project Manager II	Lota DeCastro
185	5504	Project Manager II	Tasso Mavroudis
186	5504	Project Manager II	Tracy Cael
187	5506	Project Manager III	Chris Nelson
188	5506	Project Manager III	Howard Fung
189	5506	Project Manager III	Johanna Wong
190	5506	Project Manager III	Manfred Wong
191	6318	Construction Inspector	Affredo Joves
192	6318	Construction Inspector	Allan Wong
193	6318	Construction Inspector	Arnold Galang
194	6318	Construction Inspector	Benjamin Leong
195	6318	Construction Inspector	Brian Roberts
196	6318	Construction Inspector	Carl Lee
197	6318	Construction Inspector	Carlos Grande
198	6318	Construction Inspector	Cosmo Tarantino
199	6318	Construction Inspector	Dinesh Chaudari
200	6318	Construction Inspector	Ed Pacero
201	6318	Construction Inspector	Gerry Fields
202	6318	Construction Inspector	Jerry Malone
203	6318	Construction Inspector	Jose Poncel
204	6318	Construction Inspector	Kay Lee
205	6318	Construction Inspector	Kirk Kuykendall
206	6318	Construction Inspector	Larry Olsen
207	6318	Construction Inspector	Ron Adams
208	6318	Construction Inspector	Tim Meagher
209	6318	Construction Inspector	Tim Parkan
210	6318	Construction Inspector	Tom Famham
211	6318	Construction Inspector	Ward Wong
212	6318	Construction Inspector	Wyman Lee

List of Vacant and New Positions

	Class	Title	Name	Bureau	Expected Date of Hire
1	0922	Manager I	Vacant-Priority	CMB	Mar-04
2	0922	Manager I	Vacant-Priority	PMB	Apr-04
3	0942	Manager VII	Vacant-Priority	PDS	Apr-04
4	0933	Manager V	Vacant-Priority	PDS	Apr-04
5	2917	Program Support Analyst	Vacant-Priority *	AGM	Apr-04
6	2975	Citizens Complaint Officer	Vacant-Priority **	AGM	Apr-04
7	0942	Manager VII	Vacant-Priority	EDB	Apr-04
8	1452	Exec Secretary II	Vacant-Priority	AGM	Apr-04
9	1824	Principal Admini. Analyst	Vacant-Priority	IRM	Apr-04
10	0931	Manager III	Vacant-Priority	AGM	Apr-04
11	0942	Manager VII	Vacant-Priority	CMB	Apr-04
12	0933	Manager V	Vacant-Priority	IRM	Apr-04
13	0941	Manager VI	Vacant-Priority	IRM	Apr-04
14	0942	Manager VII	Vacant-Priority	PMB	Apr-04
15	5508	Project Manager IV	Vacant-Priority	PMB	Apr-04
16	5241	Engineer	Vacant-Priority	PDS	May-04
17	5203	Assistant Engineer	Vacant-Priority	PDS	May-04
18	5241	Engineer	Vacant-Priority	PDS	May-04
19	5207	Assoc. Engineer	Vacant-Priority	PMB	May-04
20	5241	Engineer	Vacant-Priority	PMB	May-04
21	5241	Engineer	Vacant-Priority	PMB	May-04
22	5201	Jr. Engineer	Vacant-Priority	EDB	Jun-04
23	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
24	5174	Administrative Engineer	Vacant-Priority	EDB	Jun-04
25	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
26	5211	Sr. Engineer	Vacant-Priority	EDB	Jun-04
27	5344	Mechanical Engineering Assistant	Vacant-Priority	EDB	Jun-04
28	5211	Sr. Engineer	Vacant-Priority	EDB	Jun-04
29	5201	Jr. Engineer	Vacant-Priority	EDB	Jun-04
30	5203	Assistant Engineer	Vacant-Priority	EDB	Jun-04
31	5207	Assoc. Engineer	Vacant-Priority	EDB	Jun-04
32	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
33	5364	Civil Engineering Assoc. I	Vacant-Hold	EDB	by Jun-05
34	5241	Engineer	Vacant-Hold	EDB	by Jun-05
35	5502	Project Manager I	Vacant-Hold	PMB	by Jun-05
36	5241	Engineer	Vacant-Hold	EDB	by Jun-05
37	5344	Mechanical Engineering Assistant	Vacant-Hold	EDB	by Jun-05
38	5203	Assistant Engineer	Vacant-Hold	PMB	by Jun-05
39	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
40	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
41	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
42	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
43	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
44	5211	Sr. Engineer	Vacant-Hold	EDB	by Jun-05
45	1426	Sr. Clerk Typist	Vacant-Hold	IRM	by Jun-05
46	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
47	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
48	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
49	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
50	5241	Engineer	Vacant-Hold	EDB	by Jun-05
51	5506	Project Manager III	Vacant-Hold	PMB	by Jun-05
52	1824	Principal Admini. Analyst	Vacant-Hold	PMB	by Jun-05
53	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
54	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
55	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05

List of Vacant and New Positions

	Class	Title	Name	Bureau	Expected Date of Hire
56	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
57	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
58	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
59	5241	Engineer	Vacant-Hold	EDB	by Jun-05
60	5241	Engineer	Vacant-Hold	EDB	by Jun-05
61	5268	Architect	Vacant-Hold	EDB	by Jun-05
62	5366	Engineering Assoc. II	Vacant-Hold	EDB	by Jun-05
63	5366	Engineering Assoc. II	Vacant-Hold	EDB	by Jun-05
64	5362	Civil Engineering Assistant	Vacant-Hold	EDB	by Jun-05
65	5504	Project Manager II	Vacant-Hold	PMB	by Jun-05
66	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
67	6318	Construction Inspector	Vacant-Hold	CMB	by Jun-05
68	5207	Assoc. Engineer	Vacant-Hold	EDB	by Jun-05
69	5270	Sr. Architect	Vacant-Hold	EDB	by Jun-05
70	5241	Engineer	Vacant-Hold	EDB	by Jun-05
71	5241	Engineer	Vacant-Hold	EDB	by Jun-05
72	5241	Engineer	Vacant-Hold	PMB	by Jun-05
73	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
74	5203	Assistant Engineer	Vacant-Hold	EDB	by Jun-05
75	1452	Exec Secretary II	Vacant-Hold	AGM	by Jun-05
76	5211	Sr. Engineer	Vacant-Hold	CMB	by Jun-05
77	1824	Principal Admini. Analyst	Vacant-Hold	IRM	by Jun-05
1	0941	Manager VI	New -Sup Budget	AGM	Apr-04
2	0942	Manager VII	New -Sup Budget	CMB	Apr-04
3	5293	Planner IV	New -Sup Budget	PDS	Apr-04
4	5298	Planner III-Environmental Review	New -Sup Budget	PDS	Apr-04
5	5298	Planner III-Environmental Review	New -Sup Budget	PDS	Apr-04
6	5299	Planner IV-Environmental Review	New -Sup Budget	PDS	Apr-04
7	0941	Manager VI	New	PDS	Apr-04
8	0923	Manager II	New	IRM	Jul-04
9	9922	PSA-Assoc. to Professional	New	IRM	Jul-04
10	5602	Utility Specialist	New	PDS	Jul-04
11	5602	Utility Specialist	New	PDS	Jul-04
12	5602	Utility Specialist	New	PDS	Jul-04

List of Consultants

	Training/Org Development					
1	WIP	Phil Kohne	AGM			
2	WIP	Rosie Rios	AGM			
3	WIP	Ted Wisnia	AGM			
4	WIP	Vitaly Troyan	AGM			
5	WIP	Jessica Romm	AGM			
	CIP Support					
1	WIP	Alex Martinez	IRM			
2	WIP	Margaret Berry	IRM			
3	WIP	Deepalaxmi Rasaikar	PDS			
4	WIP	Dennis Johnson	PDS			
5	WIP	Fang Lee	PDS			
6	WIP	Jerome Hou	PDS			
7	WIP	John Marley	PDS			
8	WIP	Lora Bowman	PDS			
9	WIP	Mark Spomer	PDS			
10	WIP	Michael Kane	PDS			
11	WIP	Patrick Collins	PDS			
12	WIP	Rudy Geronimo	PDS			
13	WIP	Voge Ayran	PDS			
14	WIP	Charles Campbell	PMB			
15	WIP	Christine Uy	PMB			
16	WIP	Derrick Wong	PMB			
17	WIP	George Martinez	PMB			
18	WIP	Joe Hill	PMB			
19	WIP	Luann McVicker	PMB			
20	WIP	Susan Hou	PMB			
21	WIP	Tanya Yurovsky	PMB			
22	WMS	Donna Courington	PDS			
23	WMS	Margaret Weiland	PDS			
	WIP Support					
1	WIP	Paul Spickard				
2	WIP	Maggie Pinto				
3	WIP	Mylene Madarang				
4	WIP	Chris Martinez				
5	WIP	Les Tift				
6	WIP	Jeanne Marz				
7	WIP	Karineh Gregorian				
8	WIP	Lin Koh				
Total Consultants		36				
	*Five consultants would provid training and development services, and					
	31 consultants would provide administrative, financial and system support services.					

List of Positions from Other City Departments

1	Edgar Poma	DPW
2	Carmelita Navarro	DPW
3	Jennie Lee	DPW
4	Jim Buker	DPW
5	Jocelyn Quintos	DPW
6	Lourdes Nicomedes	DPW
7	Karen Watson	Airport
8	Anne Godfrey	Prop F
9	Don Munakata	Prop F

*To provide adminstrative, financial and system support.

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
OFFICE OF THE ASSISTANT GENERAL MANAGER, INFRASTRUCTURE
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GENERAL MANAGER

HARLAN L. KELLY, JR.
ASSISTANT GENERAL MANAGER,
INFRASTRUCTURE

Summary Budget (Projected Total Moving Costs)

Description	Amount	Funded from FY 03-04 Budget	Suppl Request
Rent	231,244		231,244
Remodeling & Cubicles	724,528		724,528
Computers & Monitors	235,200		235,200
Furniture	426,162		426,162
Other Equipment	92,000	92,000	0
Other Office Supplies	24,000		24,000
Other Materials & Supplies	25,229		25,229
Network Equipment	194,258	100,991	93,267
1155 Market	47,735		47,735
Telcom Eqpt & Wiring (DTIS)	306,372		306,372
Movers	28,743	28,743	0
Space Planning (DPW-BOA)	50,000		50,000
Projected Total Move Costs	2,385,471	221,734	2,163,737

Note: Of the total $2,385,471, funding of $221,734 will come from the current FY 03-04 operating budget with the remaining $2,163,737 being requested through this supplemental appropriation. The detail budget listing of the furniture, equipment, supplies and leasehold improvements is included in Attachment E.

Attachment F provides documentation on the leasehold improvements.

		1st Floor			4th Floor			8th Floor			10th Floor				Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Eslimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Proposed Occupants		24			15			46			31			116		
Rent *	6541Sq.Ft.	$25	67,719	4106 Sq.Ft.	$25	42,771	11305 Sq.Ft.	$25	47,104	8838 Sq.Ft.	$25	73,650		231,244		
Remodeling and Cubicle Cost & Moving Cost			212,602			67,000			255,663			189,263		724,528		
Computers	2,450	24	58,800	2,450	15	36,750	2,450	26	63,700	2,450	31	75,950	96	235,200		
Managers Office																
Desk	4000	1	4,000	4000	1	4,000	4000	1	4,000	4,000	2	8,000	5	20,000		
Lateral File Cabinet	300	1	300	300	1	300	300	1	300	300	2	600	5	1,500		
Shelving	300	1	300	300	1	300	300	1	300	300	2	600	5	1,500		
Credenza	600	1	600	600	1	600	600	1	600	600	2	1,200	5	3,000		
Table	600	1	600	600	1	600	600	1	600	600	2	1,200	5	3,000		
Side Chairs	1000	1	1,000	1000	1	1,000	1000	1	1,000	1,000	2	2,000	5	5,000		
Shipping	150	1	150	150	1	150	150	1	150	150	2	300	5	750		
Ergonomic chairs	625	1	625	625	1	625	625	1	625	625	2	1,250	5	3,125		
Key Board Trays	185	1	185	185	1	185	185	1	185	185	2	370	5	925	38,800	
Floor Mat	38	1	38	38	1	38	38	1	38	38	2	76	5	190		
Office supplies	100	1	100	100	1	100	100	1	100	100	2	200	5	500		
Business Cards	30	1	30	30	1	30	30	1	30	30	2	60	5	150		
Office signs & name tags	25	1	25	25	1	25	25	1	25	25	2	50	5	125		966
Total	7,953	13	7,953	7,953	13	7,953	7,953	13	7,953	7,953	26	15,906		39,765		
Standard Office																
Desk			-	2,200	3	6,600	2,200	17	37,400	2,200	21	46,200	41	90,200		
Ergonomic chairs			-	275	3	825	275	17	4,675	275	21	5,775	41	11,275		
Lateral File Cabinet			-	700	3	2,100	700	17	11,900	700	21	14,700	41	28,700		
Shelving			-	175	3	525	175	17	2,975	175	21	3,675	41	7,175		
Credenza			-	600	3	1,800	600	17	10,200	600	21	12,600	41	24,600		
Table			-	600	3	1,800	600	17	10,200	600	21	12,600	41	24,600		
side Chairs			-	500	3	1,500	500	17	8,500	500	21	10,500	41	20,500		
Shipping			-	150	3	450	150	17	2,550	150	21	3,150	41	6,150		
Key Board Trays			-	185	3	555	185	17	3,145	185	21	3,885	41	7,585	220,785	
Floor Mat			-	38	3	114	38	17	646	38	21	798	41	1,558		
Office supplies			-	100	3	300	100	17	1,700	100	21	2,100	41	4,100		
Business Cards			-	30	3	90	30	17	510	30	21	630	41	1,230		
Office signs & name tags			-	25	3	75	25	17	425	25	21	525	41	1,025		7,913
Total			-			16,734			94,826			117,138		228,698		
Standard Cubicle																
Ergonomic chairs	275	23	6,325	275	11	3,025	275	8	2,200	275	8	2,200	50	13,750		
Key Board Trays	185	23	4,255	185	11	2,035	185	8	1,480	185	8	1,480	50	9,250	23,000	
Floor Mat	38	23	874	38	11	418	38	8	304	38	8	304	50	1,900		
Office supplies	75	23	1,725	75	11	825	75	8	600	75	8	600	50	3,750		
Business Cards	30	23	690	30	11	330	30	8	240	30	8	240	50	1,500		
Office signs & name tags	25	23	575	25	11	275	25	8	200	25	8	200	50	1,250		8,400
Total			14,444			6,908			5,024			5,024		31,400		

Attachment E

		1st Floor			4th Floor			8th Floor			10th Floor				Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Conference Room																
Table	2000	1	2,000	9,000	1	9,000	9,000	1	9,000	9,000	1	9,000	4	29,000		
Chairs	15667	1	15,667	300	10	3,000	300	10	3,000	300	10	3,000	31	24,667		
Delivery	0		-	500	1	500	500	1	500	500	1	500	3	1,500	55,167	
Total			17,667			12,500			12,500			12,500		55,167		
War Room																
Table	3000	1	3,000			-			-			-	1	3,000		
Chairs - Conference	23500	1	23,500			-			-			-	1	23,500	26,500	
Total			26,500			-			-			-		26,500		
Entrance Hall/Waiting Area/Lobby																
Chairs	250	4	1,000			1,000			1,000			1,000	4	4,000		
End Table	245	2	490			490			490			490	2	1,960	5,960	
Total			1,490			1,490			1,490			1,490		5,960		
Break Room																
Refrigerator	600	0	-			-			-			-	-	-		
Microwave	500	0	-			-			-			-	-	-		
Tables (2)	325	2	650			-			650			650	2	1,950		
Chairs (8)	125	8	1,000			-			1,000			1,000	8	3,000	4,950	
Total			1,650			-			1,650			1,650		4,950		
Storage Room																
Shelves	100	5	500			500			500			500	5	2,000		
														-	2,000	
Total			500			500			500			500		2,000		
Other Equipment																
Fax Machine	1600	1	1,600	1600	1	1,600	1600	1	1,600	1600	-	-	3	4,800		4,800
Later File Cabinets	700	10	7,000	700	10	7,000	700	25	17,500	700	25	17,500	70	49,000	49,000	
Smartboard	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Printer - Personal	650	0	-	650	0	-	650	0	-	650	-	-	-	-		
Printer - High volume Color	8000	1	8,000	8000	1	8,000	8000	1	8,000	8000	-	8,000	3	32,000		
Printer - High volume B/W	7000	0	-	7000	0	-	7000	0	-	7000	-	-	-	-		
Printer - Plotter	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Copier - B/W	15000	1	15,000	15000	1	15,000	15000	1	15,000	15000	-	15,000	3	60,000		
Copier - Color	20000	0	-	20000	0	-	20000	0	-	20000	-	-	-	-		
Scanner	2000	0	-	2000	0	-	2000	0	-	2000	-	-	-	-		
Total			31,600			31,600			42,100			40,500		145,800		
Other Supplies																
Safety/Earthquake Supplies	6000	1	6,000	6000	1	6,000	6000	1	6,000	6000	1	6,000	4	24,000		
Office Signs - Conf. Room	450	4	1,800	450	1	450	450	1	450	450	1	450	7	3,150		
Total			7,800			6,450			6,450			6,450		27,150	426,162	22,079
Other Expenses																
Network Equipment			10,839			156,321			16,259			10,839		194,258		
Telecommunication Equipment			17,143			-			34,286					51,429		
Telecommunication Wiring			47,619			22,500			95,238			89,586		254,943	306,372	DTIS W/O
Movers			6,500			2,100			11,305			8,838		28,743		

		1st Floor			4th Floor			8th Floor			10th Floor				Furniture	Other Office Supplies
	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Estimated Unit Price	Units	Total Estimated Cost	Total Units	Grand Total		
Total			82,101			180,921			157,088			109,263		529,373		
											Network Equipment-1155 Market			47,735		
											Space Planning-Boa			50,000		
Grand Total			530,826			411,577			696,048			649,284		2,385,471		

SFPUC

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 Market St., 11th Floor, San Francisco, CA 94103 • tel. (415) 554-0740, fax (415) 554-2400

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HARLAN L. KELLY, JR.
ASSISTANT GENERAL
MANAGER,
INFRASTRUCTURE

MEMORANDUM

TO: Leanne Nhan
Budget Analyst

DATE: March 18, 2004

FROM: Harlan L. Kelly, Jr.

SUBJECT: Space Justification,
1145 & 1155 Market

In a memo to you regarding the proposed office space increase, the CIP group generally described the need for additional space to accommodate the anticipated increase in CIP staff. Subsequently, you requested explanation as to whether or not there will be periods of unoccupied space at either 1145 Market or 1155 Market during the term of the lease.

There are currently 300 work spaces on the 3rd, 6th, 7th and 9th floors at 1155 Market, occupied by 274 CIP employees and 26 SFPUC employees not directly working for the CIP. There will be approximately 115 CIP staff persons in the administrative and program development and support divisions of the CIP relocating to 1145 Market, where there will be an estimated 115 available CIP work spaces. As soon as this supplemental request is approved and leasehold improvements are completed, which is expected by May 2004, the CIP group anticipates full occupancy of the 115 work spaces at 1145 Market, with no unoccupied spaces.

The technical divisions of the CIP (engineering, construction management and project management) are expected to remain at 1155 Market. Concurrent with the move to 1145 Market, work will be done to increase and reconfigure the current cubicle spaces at 1155 Market to provide an estimated 240 work spaces (as estimated by DPW's Bureau of Architecture in the proposal dated January 5, 2004). By June 2004, SFPUC anticipates that of the 240 workspaces, 175 CIP staff persons, 30 consultants/students and the 26 SFPUC employees not directly working on the CIP will occupy 231 work spaces at 1155 Market. Therefore, the CIP group anticipates approximately 9 unoccupied work spaces at 1155 Market. However, as the remaining 43 vacant engineering positions are filled over the next 12 months, there will be full occupancy by June 2005 of the 240 spaces at 1155 Market. It is expected that as the 43 vacant positions are filled, consultants/interns will be required to share cubicles/offices.

The SFPUC critically needs space adjacent to 1155 Market Street for CIP staff. Space is available now at 1145 Market Street. According to the SFPUC Real Estate Division, if the SFPUC does not proceed with a lease for the entire space requirement, it will jeopardize its ability to lease the space it requires.

Please contact me if you need additional information. Thank you.

Item 9 - File 04-0099

Department: Administrative Services (ADM)

Item: Ordinance authorizing the Department of Administrative Services to enter into written agreements with other public entities to provide such public entities with publishing, copying, printing and/or mail services, and ratifying and approving any actions heretofore taken by the Department of Administrative Services to provide such services to public entities.

Description: The proposed ordinance would authorize the Department of Administrative Services (ADM) to enter into written agreements with other public entities to provide such public entities with publishing, copying, printing and/or mail services ("Publishing and Mail Services") at the same rates charged to City departments.

According to Mr. Robert Bryan of the City Attorney's Office, "other public entities" include any other federal, state or local public agencies, not including agencies or departments of the City and County of San Francisco.

Currently, ADM provides Publishing and Mail Services to other City departments, through its Reproduction Services Program and the ADM—Reproduction Services Program budget is fully funded through work order recoveries.

The Attachment, provided by ADM, describes the services to be provided and includes a list of all public agencies to whom services have been provided by ADM, and the payments received by ADM. Mr. Bryan states that ADM is required to obtain approval from the Board of Supervisors prior to entering into written agreements with other public entities. Mr. Ara Minasian of ADM advises that ADM was not aware that ADM was required to obtain Board of Supervisors approval prior to entering into agreements for the provision of Publishing and Mail Services with these public agencies. Therefore, the proposed ordinance would retroactively authorize ADM to enter into agreements to provide Publishing and Mail Services with the public agencies listed in the Attachment, which include the San Francisco Unified

School District (SFUSD), the City of Concord, and Contra Costa County, while also authorizing ADM to enter into agreements to provide Publishing and Mail Services in the future to additional public entities. Mr. Minasian advises that ADM is currently discussing the possibility of entering into such agreements with (a) the State of California, (b) the City of Oakland, and (c) the County of San Mateo.

Comments:

1. As stated in the Attachment, "[ADM is] not going to need to add any production resources in order to provide the services to outside agencies. Therefore, the charges [ADM makes] to those agencies will help defray [ADM's] fixed costs and spread them out over a larger base, which should ultimately reduce costs to City departments."

2. As stated in the Attachment, "[t]he department compares its pricing to estimates from the private sector." Mr. Bryan notes that the written agreements entered between ADM and other public agencies are negotiated service agreements that allow ADM to recover costs. Mr. Minasian notes that no additional personnel will be requested in the ADM FY 2004-2005 budget to provide services to public agencies.

Recommendation: Approve the proposed ordinance.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Ammiano
Clerk of the Board
Controller
Katie Petrucione
Ted Lakey

City and County of San Francisco
Reproduction and Mail Services - Administrative Services Department

repromail

February 23, 2004

Mr. Salvador Sanchez
Budget Analyst's Office
1390 Market Street, Suite 1025
San Francisco, CA 94102

Mr. Sanchez,

In response to your questions concerning the Department of Administrative Services-Reproduction and Mail Services providing "insourcing" service to public agencies outside of the City and County of San Francisco:

Overview
Department of Administrative Services-Reproduction and Mail Services will provide Publishing and Mail Services to interested public agencies. The department has developed the resources to receive these projects electronically over the Internet. The intent is bring these services to agencies outside of the City system, offering discounts on print and mail while increasing revenue to the City itself. These agencies will be charged for these services at the same rates as City departments.

By offering these services, Department of Administrative Services-Reproduction and Mail Services will realize revenue over and above its costs to the City. The Department of Administrative Services-Reproduction and Mail Services budget is 100% workorder funded from the City. We are not going to need to add any production resources in order to provide the services to outside agencies. Therefore, the charges we make to those agencies will help to defray our fixed costs and spread them out over a larger base, which should ultimately reduce costs to City departments.

1. List of agencies to whom Publishing and Mail Services are provided.

San Francisco Unified School District

FY 02/03	$56,324
FY 03/04	$68,332

City of Concord

FY 02/03	$998
FY 03/04	$2459

Contra Costa County

FY 02/03	
FY 03/04	$538

Combined Charities
FY 02/03 $4553
Department of Administrative Services-Reproduction and Mail Services has provided printing services during the City's annual charity drive. The department offers print services, including informational brochures, and sign up sheets. These forms are distributed to City departments by the charity involved. Typical groups include: United Way, Greenpeace and other charitable organizations.

In contact/planning to send work:
State of California
City of Oakland
San Mateo County

The agencies listed above have expressed an interest in obtaining print/mail services that they cannot do on their own. We have either set up exploratory meetings and tours of Department of Administrative Services-Reproduction and Mail Services or provided estimates of starting various projects.

We compare overall costs to revenues on a periodic basis to be sure that we are covering costs. As an internal service fund, we have to break even. Because of the wide variety of services we provide, we have not conducted a detailed analysis of cost recovery for each type of service.

Management and production personnel check each order to ensure that Department of Administrative Services-Reproduction and Mail Services are recovering costs.

2. **Increase in Revenue:**
Department of Administrative Services-Reproduction and Mail Services proposes to "insource" work from other public agencies. This work, encompassing design, print and mail services is outside of the budget of the City of San Francisco. Revenue from these projects is above the normal work order recovery of the department.

The department compares it's pricing to estimates from the private sector. It allows for waste due to re-runs. The common industry standard for redo is 5% of the total number of impressions run. We use the figure above to cover unanticipated costs.

3. **Definition of each of services: publishing, copying, printing and mail services (collectively known as Publishing and Mail Services).**

Publishing is an umbrella term to describe these specific services:

Copy: digital or traditional photocopy of user documents (generically called "Xeroxing"). Most often used now for reports and short run multi-page documents.

Printing: Traditional ink based reproduction. Typical orders of this type are full color printing, carbonless forms and letterheads.

Mail Services: Any service related to preparing an envelope (or mass mailing) for processing by the United States Postal Service. This includes folding, insertion, and application of postage. Department of Administrative Services-Reproduction and Mail Services can offered discounts to other agencies to reduce costs from the standard .37-cent rate.

Please call me with questions.

Sincerely,

David German
Reproduction and Mail Services Manager
875 Stevenson Rm. 125
San Francisco, Ca. 94103

cc: Ara Minasian

City and County of San Francisco

Meeting Agenda

Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Wednesday, April 14, 2004 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

0.251

4/04

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

DOCUMENTS DEPT.

APR - 9 2004

SAN FRANCISCO
PUBLIC LIBRARY

AGENDA CHANGES

REGULAR AGENDA

1. **031839** **[Sidewalk Parking Fine Increase]**

Ordinance amending Article 7, Section 132 of the San Francisco Traffic Code, to increase the fine for sidewalk parking from $75.00 to $100.00 as of January 1, 2004, in accordance with Resolution No. 648-01, adopted August 17, 2001; to update the fine for stopping on a freeway because of the repeal of Vehicle Code Section 25220 and enactment of Vehicle Code Section 21718; and to make various editorial changes to clarify the Penalty Schedule. (Parking and Traffic Department)

(No Public Benefit Recipient.)

11/13/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11/17/03, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review.

12/2/03, RESPONSE RECEIVED. Statutorily exempt from Environmental Review. CEQA Guidelines Section 15273, Rates, Tolls, Fares and Charges.

2. 040186 **[Reimbursement Resolution]**

Supervisor McGoldrick

Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness; and approving and ratifying previous actions in connection therewith

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3. 040194 **[Employee Catastrophic Illness Program]**

Supervisor Ammiano

Ordinance amending Section 16.9-29A(d) of the San Francisco Administrative Code to authorize employee reimbursement of the Catastrophic Illness Program upon qualification for or receipt of disability benefits and amending Section 16.9-29A(i) of the San Francisco Administrative Code to authorize employee transfer of unused hours to pool if participation in Catastrophic Illness Program expires or is terminated.

2/10/04, ASSIGNED UNDER 30 DAY RULE to Finance and Audits Committee, expires on 3/11/2004.

4. 040318 **[Amending Domestic Partnership requirements]**

Supervisors Ammiano, Dufty

Ordinance amending Chapter 62 of the Administrative Code by amending the statement of purpose in Section 62.1; amending Sections 62.2(d), 62.3(b) and 62.5(b) to remove a waiting period for certain domestic partnerships; amending Sections 62.3(a)(2) and 62.10(a) relating to Retirement System requirements; repealing Section 62.3(c) to eliminate a residency requirement; amending Section 62.6(a) to expand the rights and duties of domestic partners; adding Section 62.11 to clarify the Board of Supervisors' authority to amend domestic partnership legislation; adding Section 62.12 to add a severability provision; and adding Section 62.13 to ratify and approve domestic partnerships between certain non-residents.

(Fiscal impact.)

3/16/04, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 4/15/2004.
3/29/04, TRANSFERRED to Finance and Audits Committee. Per fiscal impact determination from the Budget Analyst.

April 8, 2004, President waived 30-day Rule.

FILE 040389 WILL BE HEARD PENDING INTRODUCTION OF LEGISLATION

5. 040389 **[Unrepresented Employees]**

Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensations are subject to the provisions of Section A8.409 of the Charter, in jobcodes not represented by an employee organization, and establishing working schedules and conditions of employment and, methods of payment, effective July 1, 2004. (Mayor)

4/7/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6. 040239 [Extending provisional appointments]

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, 0943 Manager VIII, 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 7334 Stationary Engineer, and 9343 Roofer, and H-30 Captain (Fire Department). (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/31/04, CONTINUED. Heard in Committee. Speakers. Marsha Stroope, Deputy Director, Human Resources Department, Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790.
Continued to April 14, 2004

7. 040077 [2004 Annual Fundraising Drive]

Hearing to consider applications from various agencies to participate in the 2004 Annual Joint Fundraising Drive.

1/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. 1/23/04 - From San Francisco Youth Fund
2/24/04 - From Bay Area Black United Fund, Inc.
2/25/04 - From Community Health Charities of California
2/26/04 - From Local Independent Charities (LIC)
2/27/04 - From United Way of the Bay Area
3/01/04 - From Global Impact
3/01/04 - Earth Share of California
3/01/04 - Mayor's Fund for the Homeless

8. 031640 [Airport - Amendment to Concession Agreement and Lease Agreement for Rental Car Operations]

Resolution approving (a) Amendment No. 1 to the Concession Agreements and Lease Agreements for Rental Car Operations between Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc., and the City and County of San Francisco, acting by and through its Airport Commission; and (b) Amendment No. 1 to the Lease Agreement for Rental Car Operations between National Car Rental Systems, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

9/26/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/10/04, CONTINUED. Continued to March 24, 2004.

3/24/04, CONTINUED. Heard in Committee. Speakers: Kathy Wagner, Airport; Harvey Rose, Budget Analyst.
Continued to April 14, 2004.

9. 040034 [Modification #6 to Lease and Use Agreement No. L-82-0115 with Delta Air Lines, Inc. at Terminal 1 of S.F. International Airport.]

Resolution approving and authorizing the execution of Modification # 6 to Lease and Use Agreement No. L-82-0115 with Delta Air Lines, Inc., to reduce terminal space in Terminal 1 of San Francisco International Airport. (Airport Commission)

1/20/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

10. 040035 **[Modification #7 to Lease and Use Agreement No. L-82-0119 with Northwest Airlines, Inc. at Terminal 1 of S.F. International Airport]**

Resolution approving and authorizing the execution of Modification # 7 to Lease and Use Agreement No. L-82-0119 with Northwest Airlines, Inc., to reduce terminal space in Terminal 1 of San Francisco International Airport. (Airport Commission)

1/20/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11. 040343 **[Taxi Legislation]**

Supervisors Daly, Ma

Ordinance amending Sections 1076, 1081, 1121, and 1148.1 of the Police Code to state a test, measured in cumulative hours per year, for satisfying the driving requirement imposed on taxicab and ramped taxi permitholders; to authorize modification of that cumulative hours test to accommodate disabled permitholders; to increase the number of years of driving required of permit applicants to qualify for a taxicab or ramped taxi permit; to require that the City provide notice to permit applicants and taxi drivers of the driving required to qualify for a taxicab or ramped taxi permit; and to require color scheme permitholders to post a similar notice and maintain records of the driving performed by drivers affiliated with the color scheme.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

12. 031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby; Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi; Dennis Korkos; Norma Geer; Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom.
Continued to 2/25/04.

3/10/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Tom Owen, City Attorney's Offce; Rua Grafis.

3/10/04, CONTINUED. Continued to March 17, 2004.

3/17/04, MEETING CANCELLED.

3/24/04, CONTINUED TO CALL OF THE CHAIR. Speakers: Mark Gruberg; Male Speaker.

13. **040319** **[MTA Workers' Compensation Administration Contract Award]**

Mayor

Resolution authorizing the Director of Transportation to award a contract to Sedgwick Claims Management Services for Workers' Compensation Third Party Claims Administration, not to exceed $3.183 million in the first year and adjusted annually by formula for four subsequent years, with the option of three one-year extensions to be exercised at the sole discretion of the MTA.

(Fiscal impact.)

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

FILE 031798 HAS BEEN TRANSFERRED TO BUDGET COMMITTEE.

14. **031798** **[Fire Station 33]**

Supervisor Sandoval

Hearing on the Fire Department's provision of emergency medical and fire suppression services to the Fire Station 33 district for the duration of the closure of Fire Station 33 for seismic retrofitting.

10/28/03, RECEIVED AND ASSIGNED to City Services Committee.
11/12/03, TRANSFERRED to Finance and Audits Committee.
12/10/03, CONTINUED. Heard in Committee. Speakers: Male Speaker, SFFD; Giselle Quezada
Continued to 2/4/04.
2/4/04, CONTINUED. Heard in Committee. Speaker: Chief Joanne Hayes-White, SFFD.
Continued to 4/14/04.
4/7/04, TRANSFERRED to Budget Committee. Sponsor requests this item be heard April 15, 2004.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Audits Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30-day Rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

FINANCE AND AUDITS COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

City and County of San Francisco
Meeting Minutes
Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, April 14, 2004 **1:00 PM** **City Hall, Room 263**

Regular Meeting

DOCUMENTS DEPT.

APR 19 2004

SAN FRANCISCO
PUBLIC LIBRARY

Members Present: Chris Daly, Aaron Peskin.

Members Absent: Tom Ammiano.

Meeting Convened

The meeting convened at 1:08 p.m.

[All Committees]
Government Document Section
Main Library

REGULAR AGENDA

031839 **[Sidewalk Parking Fine Increase]**

Supervisor Daly

Ordinance amending Article 7, Section 132 of the San Francisco Traffic Code, to increase the fine for sidewalk parking from $75.00 to $100.00 as of January 1, 2004, in accordance with Resolution No. 648-01, adopted August 17, 2001; to update the fine for stopping on a freeway because of the repeal of Vehicle Code Section 25220 and enactment of Vehicle Code Section 21718; and to make various editorial changes to clarify the Penalty Schedule. (Parking and Traffic Department)

(No Public Benefit Recipient.)

11/13/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11/17/03, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review.

12/2/03, RESPONSE RECEIVED. Statutorily exempt from Environmental Review. CEQA Guidelines Section 15273, Rates, Tolls, Fares and Charges.

Heard in Committee. Speakers: Supervisor Daly; Cheryl Adams, Deputy City Attorney; Harvey Rose, Budget Analyst; Denis Mosgofian; Chris Buck; Allan Chalmers; Manish Champsee; Norman Rolfe; Greg Castillo; Tys Sniffen; Peggy DaSilva; Jeremy Nelson; Supervisor Peskin; Diana Hammons, Department of Parking and Traffic; Julia Dawson, Department of Parking and Traffic.

Continued to April 28, 2004.

Supervisor Daly requests to be added as sponsor.

CONTINUED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040186 **[Reimbursement Resolution]**

Supervisor McGoldrick

Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness; and approving and ratifying previous actions in connection therewith

2/10/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Karen Ribble, Mayor's Office of Finance; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040194 **[Employee Catastrophic Illness Program]**

Supervisor Ammiano

Ordinance amending Section 16.9-29A(d) of the San Francisco Administrative Code to authorize employee reimbursement of the Catastrophic Illness Program upon qualification for or receipt of disability benefits and amending Section 16.9-29A(i) of the San Francisco Administrative Code to authorize employee transfer of unused hours to pool if participation in Catastrophic Illness Program expires or is terminated.

2/10/04, ASSIGNED UNDER 30 DAY RULE to Finance and Audits Committee, expires on 3/11/2004.

Continued to April 21, 2004.

CONTINUED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040318 **[Amending Domestic Partnership requirements]**

Supervisors Ammiano, Dufty

Ordinance amending Chapter 62 of the Administrative Code by amending the statement of purpose in Section 62.1; amending Sections 62.2(d), 62.3(b) and 62.5(b) to remove a waiting period for certain domestic partnerships; amending Sections 62.3(a)(2) and 62.10(a) relating to Retirement System requirements; repealing Section 62.3(c) to eliminate a residency requirement; amending Section 62.6(a) to expand the rights and duties of domestic partners; adding Section 62.11 to clarify the Board of Supervisors' authority to amend domestic partnership legislation; adding Section 62.12 to add a severability provision; and adding Section 62.13 to ratify and approve domestic partnerships between certain non-residents.

(Fiscal impact.)

3/16/04, ASSIGNED UNDER 30 DAY RULE to Rules Committee, expires on 4/15/2004.

3/29/04, TRANSFERRED to Finance and Audits Committee. Per fiscal impact determination from the Budget Analyst.

April 8, 2004, President waived 30-day Rule.

Heard in Committee. Speakers: Cinthia Goldstein, Human Rights Commission.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040389 **[Unrepresented Employees]**

Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensations are subject to the provisions of Section A8.409 of the Charter, in jobcodes not represented by an employee organization, and establishing working schedules and conditions of employment and, methods of payment, effective July 1, 2004. (Mayor)

4/7/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Alice Villagomez, ERD; Supervisor Peskin; Harvey Rose, Budget Analyst. Amended on page 32, line 21, delete entire line; same title.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, 0943 Manager VIII, 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 7334 Stationary Engineer, and 9343 Roofer, and H-30 Captain (Fire Department). (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/31/04, CONTINUED. Heard in Committee. Speakers: Marsha Stroope, Deputy Director, Human Resources Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790. Continued to April 14, 2004.

Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes; See File 040491.

DIVIDED.

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 9343 Roofer, and H-30 Captain (Fire Department) and 60 promotive provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, and 0943 Manager VIII. (Human Resources Department)

Continued to April 21, 2004.

CONTINUED AS DIVIDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040491 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of 42 entrance provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, and 0943 Manager VIII.

Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes from File 040239.
Continued to April 21, 2004.

CONTINUED AS DIVIDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040077 **[2004 Annual Fundraising Drive]**

Hearing to consider applications from various agencies to participate in the 2004 Annual Joint Fundraising Drive.

1/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. 1/23/04 - From San Francisco Youth Fund
2/24/04 - From Bay Area Black United Fund, Inc.
2/25/04 - From Community Health Charities of California
2/26/04 - From Local Independent Charities (LIC)
2/27/04 - From United Way of the Bay Area
3/01/04 - From Global Impact
3/01/04 - Earth Share of California
3/01/04 - Mayor's Fund for the Homeless

Heard in Committee. Speakers: Jill Lerner, Department of Administrative Services; Supervisor Daly; Cheryl Adams, Deputy City Attorney; Ben Rosenfield, Mayor's Office.

PREPARED IN COMMITTEE AS A RESOLUTION.

Resolution designating those agencies qualified to participate in the 2004 Annual Joint Fundraising Drive for officers and employees of the City and County of San Francisco.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

031640 **[Airport - Amendment to Concession Agreement and Lease Agreement for Rental Car Operations]**

Resolution approving (a) Amendment No. 1 to the Concession Agreements and Lease Agreements for Rental Car Operations between Alamo Rent-A-Car, LLC, Avis Rent-A-Car System, Inc., Budget Rent-A-Car Systems, Inc., Dollar Rent-A-Car System, Inc., Enterprise Rent-A-Car Company of San Francisco, The Hertz Corporation, and Thrifty Rent-A-Car System, Inc., and the City and County of San Francisco, acting by and through its Airport Commission; and (b) Amendment No. 1 to the Lease Agreement for Rental Car Operations between National Car Rental Systems, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

(Fiscal impact; No Public Benefit Recipient.)

9/26/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.
3/10/04, CONTINUED. Continued to March 24, 2004.
3/24/04, CONTINUED. Heard in Committee. Speakers: Kathy Wagner, Airport; Harvey Rose, Budget Analyst. Continued to April 14, 2004.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040034 **[Modification #6 to Lease and Use Agreement No. L-82-0115 with Delta Air Lines, Inc. at Terminal 1 of S.F. International Airport.]**

Resolution approving and authorizing the execution of Modification # 6 to Lease and Use Agreement No. L-82-0115 with Delta Air Lines, Inc., to reduce terminal space in Terminal 1 of San Francisco International Airport. (Airport Commission)

1/20/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Peskin; Peter Nardoza, Airport; Supervisor Daly; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040035 **[Modification #7 to Lease and Use Agreement No. L-82-0119 with Northwest Airlines, Inc. at Terminal 1 of S.F. International Airport]**

Resolution approving and authorizing the execution of Modification # 7 to Lease and Use Agreement No. L-82-0119 with Northwest Airlines, Inc., to reduce terminal space in Terminal 1 of San Francisco International Airport. (Airport Commission)

1/20/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Peskin; Peter Nardoza, Airport; Supervisor Daly; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040343 **[Taxi Legislation]**

Supervisors Daly, Ma

Ordinance amending Sections 1076, 1081, 1121, and 1148.1 of the Police Code to state a test, measured in cumulative hours per year, for satisfying the driving requirement imposed on taxicab and ramped taxi permitholders; to authorize modification of that cumulative hours test to accommodate disabled permitholders; to increase the number of years of driving required of permit applicants to qualify for a taxicab or ramped taxi permit; to require that the City provide notice to permit applicants and taxi drivers of the driving required to qualify for a taxicab or ramped taxi permit; and to require color scheme permitholders to post a similar notice and maintain records of the driving performed by drivers affiliated with the color scheme.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Naomi Little, Executive Director, Taxi Commission; Supervisor Daly; Carl MacMurdo; Robert Cesana; Jim Nakamura; Mark Gruberg; Jim Kennedy; Hansu Kim; Desta; Supervisor Peskin.

Continued to April 28, 2004.

CONTINUED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

031960 **[Establishing administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations]**

Ordinance amending the San Francisco Police Code by adding Sections 1186, 1187, and 1188, to restate the full-time driving requirement, and to establish administrative penalties and procedures for violations of the full-time driving requirement and for violations of the Taxi Commission's rules and regulations. (Taxi Commission)

(No Public Benefit Recipient.)

11/25/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

1/28/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Barry Taranto; Thomas Owen, Deputy City Attorney.
Continued to 2/11/04.

1/28/04, CONTINUED AS AMENDED.

2/11/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Taxi Commission; Thomas Owen, Deputy City Attorney; Tara Houseman; James Kennedy; Mark Gruberg; Carl Macmurdo; Robert Cesana; Martin Smith; W. Blake Derby; Barry Taranto; William Guthrie; Brooks Dyer; Mulgeta Woldemariam; Anne McVeigh; Johnson Akinboaunse; Mark Giogi; Dennis Korkos; Norma Geer; Michael Spain; Gerald Ganley; Jane Bolig; Robert Gross; David Basada; Jim Nakamura; Todd Rydstrom.
Continued to 2/25/04.

3/10/04, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Tom Owen, City Attorney's Offce; Ruach Graffis.

3/10/04, CONTINUED. Continued to March 17, 2004.

3/17/04, MEETING CANCELLED.

3/24/04, CONTINUED TO CALL OF THE CHAIR. Speakers: Mark Gruberg; Male Speaker.

Heard in Committee. Speakers: Naomi Little, Executive Director, Taxi Commission; Supervisor Daly; Carl MacMurdo; Robert Cesana; Jim Nakamura; Mark Gruberg; Jim Kennedy; Hansu Kim; Desta; Supervisor Peskin.
Withdrawn at request of Taxi Commission.

TABLED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

040319 **[MTA Workers' Compensation Administration Contract Award]**

Mayor

Resolution authorizing the Director of Transportation to award a contract to Sedgwick Claims Management Services for Workers' Compensation Third Party Claims Administration, not to exceed $3.183 million in the first year and adjusted annually by formula for four subsequent years, with the option of three one-year extensions to be exercised at the sole discretion of the MTA.

(Fiscal impact.)

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Jeff Gary, Manager, MTA Compensation; Harvey Rose, Budget Analyst; Supervisor Daly; Cheryl Adams, Deputy City Attorney.
Amended to show retroactive to March 27, 2004; new title.

AMENDED.

Resolution authorizing retroactive to March 27, 2004, the Director of Transportation to award a contract to Sedgwick Claims Management Services for Workers' Compensation Third Party Claims Administration, not to exceed $3.183 million in the first year and adjusted annually by formula for four subsequent years, with the option of three one-year extensions to be exercised at the sole discretion of the MTA.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Daly, Peskin
Absent: 1 - Ammiano

FILE 031798 HAS BEEN TRANSFERRED TO BUDGET COMMITTEE.

031798 **[Fire Station 33]**

Supervisor Sandoval

Hearing on the Fire Department's provision of emergency medical and fire suppression services to the Fire Station 33 district for the duration of the closure of Fire Station 33 for seismic retrofitting.

10/28/03, RECEIVED AND ASSIGNED to City Services Committee.

11/12/03, TRANSFERRED to Finance and Audits Committee.

12/10/03, CONTINUED. Heard in Committee. Speakers: Male Speaker, SFFD; Giselle Quezada. Continued to 2/4/04.

2/4/04, CONTINUED. Heard in Committee. Speaker: Chief Joanne Hayes-White, SFFD. Continued to 4/14/04.

4/7/04, TRANSFERRED to Budget Committee. Sponsor requests this item be heard April 15, 2004.

NO ACTION TAKEN. PENDING IN COMMITTEE..

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

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City and County of San Francisco
Meeting Minutes
Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

Wednesday, April 21, 2004 | **1:00 PM** | **City Hall, Room 263**

Regular Meeting

Members Present: Chris Daly, Aaron Peskin, Tom Ammiano.

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Meeting Convened

The meeting convened at 1:08 p.m.

031991 **[Work Practices for Lead-Based Paint and Fees For Implementation of Work Practices Program Provisions Regarding Interiors]**

Supervisors Peskin, Maxwell

Ordinance amending Section 3407 et seq., Section 110 Table 1-A and Section 110 Table 1-P of the San Francisco Building Code to regulate work that disturbs or removes lead-based paint in the interior of pre-1979 buildings that are in Group E3, R1 or R3 occupancy classification, as well as, the exterior of pre-1979 buildings and all steel structures; establish performance standards for work that disturbs or removes lead-based paint in the interior and exterior of such buildings and steel structure; conform the process for assessing administrative penalties with that for the issuance of an Order of Abatement, to provide a surcharge fee for alteration permits sought for buildings classified as R3 and E3 that were constructed prior to 1979 to implement the lead interior safe work practices provisions of Section 3407 et seq., to provide a surcharge license fee for apartment houses and hotels constructed prior to 1979, other than those operating only as tourist hotels, to implement the lead interior safe work practices provisions of Section 3407 et seq., and to make findings in accordance with California Health and Safety Code Section 17958.5 as to the local climatic, topological and geological reasons for amending the State Building Code.

(3/30/04 in Board: Supervisor Peskin submitted a substitute ordinance bearing new title; Companion measure to File 031992.)

12/9/03, ASSIGNED UNDER 30 DAY RULE to City Services Committee, expires on 1/8/2004. 2/21/04: Supervisor Maxwell requested to be added as a co-sponsor.

2/26/04, CONTINUED. Continued to March 18, 2004.

3/8/04, RESPONSE RECEIVED. Youth Commission supports Ordinance per memorandum dated March 1, 2004.

3/18/04, CONTINUED TO CALL OF THE CHAIR.

3/30/04, SUBSTITUTED. Supervisor Peskin submitted a substitute ordinance bearing new title.

3/30/04, ASSIGNED to City Services Committee.

3/31/04, TRANSFERRED to Finance and Audits Committee.

4/8/04, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review determination.

4/8/04, REFERRED TO DEPARTMENT. Referred to Building Inspection Commission for review and comment.

4/14/04, RESPONSE RECEIVED. Planning Department, exempt from CEQA per guidelines, Section 15061(b)(3).

Continued to May 12, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

031992 **[Relocation of Persons Affected by Lead Hazards]**

Supervisors Peskin, Maxwell

Ordinance amending Section 596 of the San Francisco Health Code and Sections 37.3, 37.9, 72.1 to 72.3, inclusive, and 72.5 of the San Francisco Administrative Code providing for orders to vacate and notices to pay relocation benefits, providing for a hearing process under Article 11 of the Health Code if a notice to pay relocation benefits is not complied with, disallowing passthroughs to tenants of the costs of lead remediation performed in accordance with Article 11 of the Health Code when lead hazards remedied are a result of deferred maintenance; authorizing landlords to temporarily recover possession of a unit for the purposes of performing lead remediation as required by the Department in accordance with Article 11 of the Health Code but only for the minimum time required to perform the remediation; increasing relocation payments required under Chapter 72 and indexing those relocation payments to the Consumer Price Index as of July 1, 2004; and providing an alternative to making relocation payments if a comparable dwelling unit is made available.

12/9/03, ASSIGNED UNDER 30 DAY RULE to City Services Committee, expires on 1/8/2004. 3/11/04: Supervisor Maxwell requested to be added as a co-sponsor.

1/2/04, REFERRED TO DEPARTMENT. Referred to Youth Commission for review and comments.

2/26/04, CONTINUED. Continued to March 18, 2004.

3/18/04, CONTINUED TO CALL OF THE CHAIR.

3/30/04, TRANSFERRED to Finance and Audits Committee.

Continued to May 12, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040467 **[Ryan White CARE Act Funding]**

Supervisors Daly, Dufty

Hearing to review a proposal by Health Director Mitch Katz to maintain CARE funded services, and to prepare in committee and report to the Full Board of Supervisors ordinances or resolutions as may be necessary to maintain these services.

4/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. Sponsor requests this item be scheduled for consideration at the April 21, 2004 meeting.

Heard in Committee. Speakers: Supervisor Daly; Dr. Mitchell Katz, Health Department; Supervisor Ammiano; Bill Hirsh, ALRP; Dr. Marlene Ritchie, Director, Substance Abuse Services; Hywel Sims, Shanti; Donald Frazier, Walden House; Mike Smith; Rachel Matillane. James Lloyce; Health Department.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040194 **[Employee Catastrophic Illness Program]**

Supervisor Ammiano

Ordinance amending Section 16.9-29A(d) of the San Francisco Administrative Code to authorize employee reimbursement of the Catastrophic Illness Program upon qualification for or receipt of disability benefits and amending Section 16.9-29A(i) of the San Francisco Administrative Code to authorize employee transfer of unused hours to pool if participation in Catastrophic Illness Program expires or is terminated.

2/10/04, ASSIGNED UNDER 30 DAY RULE to Finance and Audits Committee, expires on 3/11/2004.

4/14/04, CONTINUED. Continued to April 21, 2004.

Heard in Committee. Speaker: Supervisor Ammiano.
Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040240 **[Reserved Funds, Fire Department]**

Hearing to consider release of reserved funds, Fire Department fiscal year 2003-04 Budget, in the amount of $1,543,139, to fund the Department's training and education functions. (Fire Department)

3/4/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers; Joanne Hayes-White, Chief, Fire Department; Supervisor Peskin; Harvey Rose, Budget Analyst; Supervisor Ammiano; Supervisor Daly.
Release of reserved funds in the amount of $1,543,139 were approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 9343 Roofer, and H-30 Captain (Fire Department) and 60 promotive provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, and 0943 Manager VIII. (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/31/04, CONTINUED. Heard in Committee. Speakers: Marsha Stroope, Deputy Director, Human Resources Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790. Continued to April 14, 2004.

4/14/04, DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes; See File 040491.

4/14/04, CONTINUED AS DIVIDED. Continued to April 21, 2004.

Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040491 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of 42 entrance provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, and 0943 Manager VIII.

4/14/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4/14/04, CONTINUED AS DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes from File 040239.
Continued to April 21, 2004.

Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040416 **[Sheriff's Elections Security for 2003 Elections]**

Supervisor Peskin

Hearing to consider the Budget Analyst's review of Sheriff's Elections Security for the October, November and December of 2003 Elections in San Francisco.

3/30/04, RECEIVED AND ASSIGNED to Finance and Audits Committee. Sponsor requests this item be scheduled for consideration at the April 14, 2004 meeting.

Heard in Committee. Speakers: Supervisor Peskin; Debra Newman, Budget Analyst's Office; Michael Hennessey, Sheriff; John Arntz, Director, Department of Elections; Elaine Forbes, Budget Analyst's Office.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

ADJOURNMENT

The meeting adjourned at 3:02 p.m.

Rick Sheinfield/CTYATT@CTYATT
04/20/2004 10:50 AM

To: Ted Lakey/CTYATT@CTYATT
cc: Cheryl Adams/CTYATT@CTYATT, Brad Benson/BOS/SFGOV@SFGOV, Dan Maguire/CTYATT@CTYATT, David
bcc:
Subject: Catastrophic Illness Program Ordinance

Ted:

Attached is the electronic version of the Catastrophic Illness Program Ordinance with the change you need to introduce in committee.



Cip7.doc

Page 3, lines 9-10 used to read, "*Failure to do so will result in the City's placing a lien for the unreimbursed amount on the employee's future wages, benefits and/or retirement.* "

They now read, " *Failure to do so will result in the City's placing a lien for the unreimbursed amount on the employee's future wages and benefits (not including workers' compensation or retirement).*

As you will recall, State law prohibits lien's on workers' comp or retirement benefits under the circumstances we propose.

By this email, I am also forwarding an electronic copy to the Board Clerk. My secretary will be delivering hard copies to the Clerk today.

Please call me with any questions.

Rick Sheinfield
Deputy City Attorney

Tel: 415.554.3872
Fax: 415.557.6747
email: rick.sheinfield@sfgov.org

The information in this email is confidential and protected by the attorney/client and/or work product privileges. If you received this email inadvertently, please permanently delete it.

City and County of San Francisco

Meeting Agenda

Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr Carlton B Goodlett Place
San Francisco, CA 94102-4689

Wednesday, April 28, 2004 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

251

/04

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. 031839 **[Sidewalk Parking Fine Increase]**

Supervisor Daly

Ordinance amending Article 7, Section 132 of the San Francisco Traffic Code, to increase the fine for sidewalk parking from $75.00 to $100.00 as of January 1, 2004, in accordance with Resolution No. 648-01, adopted August 17, 2001; to update the fine for stopping on a freeway because of the repeal of Vehicle Code Section 25220 and enactment of Vehicle Code Section 21718; and to make various editorial changes to clarify the Penalty Schedule. (Parking and Traffic Department)

(No Public Benefit Recipient.)

11/13/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11/17/03, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review.

12/2/03, RESPONSE RECEIVED. Statutorily exempt from Environmental Review. CEQA Guidelines Section 15273, Rates, Tolls, Fares and Charges.

4/14/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Cheryl Adams, Deputy City Attorney; Harvey Rose, Budget Analyst; Denis Mosgofian; Chris Buck; Allan Chalmers; Manish Champsee; Norman Rolfe; Greg Castillo; Tys Sniffen; Peggy DaSilva; Jeremy Nelson; Supervisor Peskin; Diana Hammons, Department of Parking and Traffic; Julia Dawson, Department of Parking and Traffic.
Continued to April 28, 2004.
Supervisor Daly requests to be added as sponsor.

2. 040061 **[DPT Management and Accounting Controls]**

Supervisor Ma

Hearing to review the Department of Parking and Traffic's management and accounting controls over the City's parking ticket division, including but not limited to, the procedures in place to avoid ticket fixing.

1/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3. 040329 **[Conditional approval of an historical property contract for 690 Market Street - The Chronicle Building]**

Supervisor Peskin

Resolution under Chapter 71 of the San Francisco Administrative Code, conditionally approving an historical property contract between 690 HTC LLC and 690B LLC, the owners of conditional landmark No. 243 at 690 Market Street and the City and County of San Francisco, conditionally authorizing the Director of Planning and the Assessor to execute the historical property contract.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4. 040454 **[General Obligation Refunding Bonds, Series 2004-R1]**

Mayor

Resolution authorizing the issuance from time to time in one or more series of not to exceed $800,000,000 Aggregate Principal Amount of City and County of San Francisco General Obligation Refunding Bonds; approving the form and authorizing the execution of General Obligation Refunding Bonds; approving the form and authorizing the execution of Declarations of Trust; authorizing the appointment of depositories and other agents; approving the form and authorizing the execution and delivery of Escrow Agreements; approving the tax levy for repayment of the General Obligation Refunding Bonds; approving procedures for the sale and award of General Obligation Refunding Bonds; approving the form of Official Notices of Sale; authorizing the publication of Notices of Intention to Sell; approving the form of and authorizing the execution and delivery of Bond Purchase Agreements; approving the form and authorizing the execution and delivery of Continuing Disclosure Certificates; authorizing selection of underwriters; approving the form of and authorizing the distribution of Preliminary Official Statements and authorizing execution and delivery of Official Statements; approving the appointment of verification agents; approving the retention of other agents and payment of compensation to such agents; authorizing payment of costs of issuance; approving modifications to documents; ratifying actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said General Obligation Refunding Bonds and the refunding of certain outstanding General Obligation Bonds.

4/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

5. 040455 **[Refunding Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1994, (George R. Moscone Convention Center)]**

Mayor

Resolution approving the issuance and sale of lease revenue refunding bonds to refinance lease revenue bonds previously issued and sold by the Redevelopment Agency of the City and County of San Francisco (the "Agency"); authorizing the release of reserved monies; approving the form of a project lease between the Agency and the City and County of San Francisco (including certain indemnities contained therein); approving the form of the official statement in preliminary and final form; approving the form of the continuing disclosure certificate; approving the form of irrevocable refunding instructions; and, ratifying previous actions taken in connection therewith.

4/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6. 040236 **[Community Choice Aggregation Program]**

Supervisors Ammiano, Maxwell, Gonzalez

Ordinance establishing a Community Choice Aggregation Program in accordance with California Public Utilities Code Sections 218.3, 331.1, 366, 366.2, 381.1, 394, and 394.25, allowing San Francisco to aggregate the electrical load of electricity consumers within San Francisco and to accelerate the introduction of renewable energy, conservation and energy efficiency into San Francisco's portfolio of energy resources.

2/24/04, RECEIVED AND ASSIGNED to City Services Committee.
3/1/04, REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation
4/20/04, TRANSFERRED to Finance and Audits Committee.

7. 040448 **[Accept-Expend Federal Funding - Community Development Block Grant]**

Mayor

Resolution approving the 2004 Community Development Program; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2004 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income of $31,374,675 which include indirect costs of $150,000, and approving expenditure schedules for recipient departments and agencies and for indirect costs.

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.
4/19/04, TRANSFERRED to Finance and Audits Committee.

8. 040447 **[Accept-Expend Federal Funding - HOME Program]**

Mayor

Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend a grant from the U.S. Department of Housing and Urban Development (HUD) for a total amount of $8,804,425 which include indirect costs of $10,000 for the HOME Program authorized under TITLE II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2004 Action Plan for San Francisco's Consolidated Plan.

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.
4/19/04, TRANSFERRED to Finance and Audits Committee.

9. 040449 **[Federal Funding – Emergency Shelter Grants Program]**

Supervisor Dufty

Resolution approving the 2004 Emergency Shelter Grants Program and Expenditure Schedule; and authorizing the Mayor on behalf of the City and County of San Francisco to accept and expend a $924,509 entitlement grant under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development.

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.
4/19/04, TRANSFERRED to Finance and Audits Committee.

10. 040364 **[Municipal Transportation Agency Contract No. CS-103 with Booz Allen & Hamilton Inc.]**

Mayor

Resolution authorizing the Municipal Transportation Agency to enter into Amendment No. 4 to Municipal Railway Contract No. CS-103 with Booz Allen & Hamilton Inc., for further engineering services through closeout of MUNI's Light Rail Replacement Program, for (1) further consulting services through closeout of MUNI's light rail vehicle replacement program, (2) a contract increase not to exceed $1,500,998, for a total contract amount not to exceed $17,223,352; and (3) a contract extension through December 31, 2007.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11. 040384 **[Municipal Transportation Agency Contract Modification No. 12 with ANSALDOBREDA S.p.a]**

Mayor

Resolution authorizing the Municipal Transportation Agency to enter into Contract Modification No. 12 with ANSALDOBREDA S.p.a for (1) completion of the video surveillance retrofit on 87 light rail vehicles; (2) design, testing and installation of an emergency brake acceleration limiting device on 151 vehicles; (3) overhaul of the brake system on 23 vehicles, plus two options for up to 30 additional vehicles each; (4) funding for spare parts and repair of damaged vehicles; and (5) modification of the delivery schedule, payment schedule, warranty provisions, and other terms and conditions of the contract to address the new work; all in an amount not to exceed $9,148,576, and for a total contract amount not to exceed $407,155,455.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

12. 040362 **[To appropriate funding to Modification No.12 to Contract No.309 with ANSALDOBREDA (Breda),and related consultant and administrative costs for the Municipal Transportation Agency]**

Mayor

Ordinance appropriating $12,275,000 of fund balance to fund Modification No. 12 to Contract No. 309 with ANSALDOBREDA (Breda) and for related consultant and administrative costs as part of the Muni Light Rail Vehicles (LRV) Procurement Program. Funding is provided from proceeds of a recently completed Breda lease-lease back transaction. The MTA adopted Resolution No. 04-016 approving a spending plan for Muni's Breda LRV modification program, with an emphasis on operational and passenger safety security enhancements for fiscal year 2003-04.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

13. 040343 **[Taxi Legislation]**

Supervisors Daly, Ma

Ordinance amending Sections 1076, 1081, 1121, and 1148.1 of the Police Code to state a test, measured in cumulative hours per year, for satisfying the driving requirement imposed on taxicab and ramped taxi permitholders; to authorize modification of that cumulative hours test to accommodate disabled permitholders; to increase the number of years of driving required of permit applicants to qualify for a taxicab or ramped taxi permit; to require that the City provide notice to permit applicants and taxi drivers of the driving required to qualify for a taxicab or ramped taxi permit; and to require color scheme permitholders to post a similar notice and maintain records of the driving performed by drivers affiliated with the color scheme.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4/14/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Executive Director, Taxi Commission; Supervisor Daly; Carl MacMurdo; Robert Cesana; Jim Nakamura; Mark Gruberg; Jim Kennedy; Hansu Kim; Desta; Supervisor Peskin. Continued to April 28, 2004.

14. 040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 9343 Roofer, and H-30 Captain (Fire Department) and 60 promotive provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, and 0943 Manager VIII. (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/31/04, CONTINUED. Heard in Committee. Speakers: Marsha Stroope, Deputy Director, Human Resources Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790.
Continued to April 14, 2004.

4/14/04, DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes; See File 040491.

4/14/04, CONTINUED AS DIVIDED. Continued to April 21, 2004.

4/21/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

15. 040491 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of 42 entrance provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, and 0943 Manager VIII.

4/14/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4/14/04, CONTINUED AS DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes from File 040239
Continued to April 21, 2004.

4/21/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Audits Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

NOTE:
Pursuant to Government Code Section 65009, the following notice is hereby given: if you challenge, in court, the general plan amendments or planning code and zoning map amendments described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

City and County of San Francisco
Meeting Minutes
Finance and Audits Committee

Members: Chris Daly, Aaron Peskin, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, April 28, 2004 **1:00 PM** **City Hall, Room 263**

Regular Meeting

DOCUMENTS DEPT.

MAY - 6 2004

SAN FRANCISCO
PUBLIC LIBRARY

Members Present: Chris Daly, Aaron Peskin, Tom Ammiano.

Meeting Convened

Meeting convened at 1:05 p.m.

[All Committees]
Government Document Section
Main Library

REGULAR AGENDA

031839 **[Sidewalk Parking Fine Increase]**

Supervisor Daly

Ordinance amending Article 7, Section 132 of the San Francisco Traffic Code, to increase the fine for sidewalk parking from $75.00 to $100.00 as of January 1, 2004, in accordance with Resolution No. 648-01, adopted August 17, 2001; to update the fine for stopping on a freeway because of the repeal of Vehicle Code Section 25220 and enactment of Vehicle Code Section 21718; and to make various editorial changes to clarify the Penalty Schedule. (Parking and Traffic Department)

(No Public Benefit Recipient.)

11/13/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

11/17/03, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review.

12/2/03, RESPONSE RECEIVED. Statutorily exempt from Environmental Review. CEQA Guidelines Section 15273, Rates, Tolls, Fares and Charges.

4/14/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Cheryl Adams, Deputy City Attorney; Harvey Rose, Budget Analyst; Denis Mosgofian; Chris Buck; Allan Chalmers; Manish Champsee; Norman Rolfe; Greg Castillo; Tys Sniffen; Peggy DaSilva; Jeremy Nelson; Supervisor Peskin; Diana Hammons, Department of Parking and Traffic; Julia Dawson, Department of Parking and Traffic.
Continued to April 28, 2004.
Supervisor Daly requests to be added as sponsor.

Heard in Committee. Speakers: Greg Castillo; Peggy da Silva, Walk San Francisco; Bruce Livingston, Senior Action Network; Denis Mosgofian; Allan Chalmers; Bob Planthold; Jeremy Nelson; Ian Berke; Supervisor Peskin; Ted Lakey, Deputy City Attorney.
Amend date on page 1, line 4 and page 7, line 14 change "January 1, 2004" to "July 1, 2004", new title.

AMENDED.

Ordinance amending Article 7, Section 132 of the San Francisco Traffic Code, to increase the fine for sidewalk parking from $75.00 to $100.00 as of July 1, 2004, in accordance with Resolution No. 648-01, adopted August 17, 2001; to update the fine for stopping on a freeway because of the repeal of Vehicle Code Section 25220 and enactment of Vehicle Code Section 21718; and to make various editorial changes to clarify the Penalty Schedule. (Parking and Traffic Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040061 **[DPT Management and Accounting Controls]**

Supervisor Ma

Hearing to review the Department of Parking and Traffic's management and accounting controls over the City's parking ticket division, including but not limited to, the procedures in place to avoid ticket fixing.

1/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Ma; Gerald Norman, Director, Department of Parking and Traffic; Supervisor Ammiano.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040329 **[Conditional approval of an historical property contract for 690 Market Street - The Chronicle Building]**

Supervisor Peskin

Resolution under Chapter 71 of the San Francisco Administrative Code, conditionally approving an historical property contract between 690 HTC LLC and 690B LLC, the owners of conditional landmark No. 243 at 690 Market Street and the City and County of San Francisco, conditionally authorizing the Director of Planning and the Assessor to execute the historical property contract.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Continued to May 12, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040454 **[General Obligation Refunding Bonds, Series 2004-RI]**

Mayor

Resolution authorizing the issuance from time to time in one or more series of not to exceed $800,000,000 Aggregate Principal Amount of City and County of San Francisco General Obligation Refunding Bonds; approving the form and authorizing the execution of General Obligation Refunding Bonds; approving the form and authorizing the execution of Declarations of Trust; authorizing the appointment of depositories and other agents; approving the form and authorizing the execution and delivery of Escrow Agreements; approving the tax levy for repayment of the General Obligation Refunding Bonds; approving procedures for the sale and award of General Obligation Refunding Bonds; approving the form of Official Notices of Sale; authorizing the publication of Notices of Intention to Sell; approving the form of and authorizing the execution and delivery of Bond Purchase Agreements; approving the form and authorizing the execution and delivery of Continuing Disclosure Certificates; authorizing selection of underwriters; approving the form of and authorizing the distribution of Preliminary Official Statements and authorizing execution and delivery of Official Statements; approving the appointment of verification agents; approving the retention of other agents and payment of compensation to such agents; authorizing payment of costs of issuance; approving modifications to documents; ratifying actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said General Obligation Refunding Bonds and the refunding of certain outstanding General Obligation Bonds.

4/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Karen Ribble, Mayor's Office of Finance; Harvey Rose, Budget Analyst; Supervisor Ammiano.

Amendment of the Whole

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040455 **[Refunding Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1994, (George R. Moscone Convention Center)]**

Mayor

Resolution approving the issuance and sale of lease revenue refunding bonds to refinance lease revenue bonds previously issued and sold by the Redevelopment Agency of the City and County of San Francisco (the "Agency"); authorizing the release of reserved monies; approving the form of a project lease between the Agency and the City and County of San Francisco (including certain indemnities contained therein); approving the form of the official statement in preliminary and final form; approving the form of the continuing disclosure certificate; approving the form of irrevocable refunding instructions; and, ratifying previous actions taken in connection therewith.

4/13/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Nadia Sesay, Mayor's Office of Finance.
Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the issuance and sale of lease revenue refunding bonds to refinance lease revenue bonds previously issued and sold by the Redevelopment Agency of the City and County of San Francisco (the "Agency"); authorizing the release of reserved monies; approving the form of a project lease between the Agency and the City and County of San Francisco (including certain indemnities contained therein); approving the form of the official statement in preliminary and final form; approving the form of the continuing disclosure certificate; approving the form of irrevocable refunding instructions; and, ratifying previous actions taken in connection therewith; continuing to reserve $2,140,000.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040236 **[Community Choice Aggregation Program]**

Supervisors Ammiano, Maxwell, Gonzalez, Peskin, Daly

Ordinance establishing a Community Choice Aggregation Program in accordance with California Public Utilities Code Sections 218.3, 331.1, 366, 366.2, 381.1, 394, and 394.25, allowing San Francisco to aggregate the electrical load of electricity consumers within San Francisco and to accelerate the introduction of renewable energy, conservation and energy efficiency into San Francisco's portfolio of energy resources.

2/24/04, RECEIVED AND ASSIGNED to City Services Committee.

3/1/04, REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation.

4/20/04, TRANSFERRED to Finance and Audits Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Ed Smeloff, Assistant General Manager, Public Utilities Commission; Jared Bloomfeild; Barbara George, Women's Energy Matters; Paul Fenn; Greenwood Earth Alliance; Daniel Kammen; Lynda Arakelian, Greenpeace.
Supervisors Peskin and Daly requested to be added as co-sponsors.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040448 **[Accept-Expend Federal Funding - Community Development Block Grant]**

Mayor

Resolution approving the 2004 Community Development Program; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2004 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income of $31,374,675 which include indirect costs of $150,000, and approving expenditure schedules for recipient departments and agencies and for indirect costs.

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.

4/19/04, TRANSFERRED to Finance and Audits Committee.

Heard in Committee. Speakers: Dwayne Jones, Director, Mayor's Office of Community Development; Rene Casanovi; Supervisor Daly; Daryl Higashi, Director, Mayor's Office of Housing; Harvey Rose, Budget Analyst; Joseph Smooke, Bernal Heights Neighborhood Center; Male speaker; London Breed, Director, African American Art & Culture Center; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the 2004 Community Development Program; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2004 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income of $31,374,675 which include indirect costs of $150,000, and approving expenditure schedules for recipient departments and agencies and for indirect costs; placing $2,372,271 on reserve.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040447 **[Accept-Expend Federal Funding - HOME Program]**

Mayor

Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend a grant from the U.S. Department of Housing and Urban Development (HUD) for a total amount of $8,804,425 which include indirect costs of $10,000 for the HOME Program authorized under TITLE II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2004 Action Plan for San Francisco's Consolidated Plan.

(Fiscal impact.)

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.

4/19/04, TRANSFERRED to Finance and Audits Committee.

Heard in Committee. Speakers: Dwayne Jones, Director, Mayor's Office of Community Development; Rene Casanovi; Supervisor Daly; Daryl Higashi, Director, Mayor's Office of Housing; Harvey Rose, Budget Analyst; Joseph Smooke, Bernal Heights Neighborhood, Center; Male speaker; London Breed, Director, African American Art & Culture Center; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend a grant from the U.S. Department of Housing and Urban Development (HUD) for a total amount of $8,804,425 for the HOME Program authorized under TITLE II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2004 Action Plan for San Francisco's Consolidated Plan; and placing $82,718 on reserve.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040449 **[Federal Funding – Emergency Shelter Grants Program]**

Supervisor Dufty

Resolution approving the 2004 Emergency Shelter Grants Program and Expenditure Schedule; and authorizing the Mayor on behalf of the City and County of San Francisco to accept and expend a $924,509 entitlement grant under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development.

(Fiscal impact.)

4/13/04, RECEIVED AND ASSIGNED to Land Use Committee.

4/19/04, TRANSFERRED to Finance and Audits Committee.

Heard in Committee. Speakers: Dwayne Jones, Director, Mayor's Office of Community Development; Rene Casanovi; Supervisor Daly; Daryl Higashi, Director, Mayor's Office of Housing; Harvey Rose, Budget Analyst; Joseph Smooke, Bernal Heights Neighborhood, Center; Male speaker; London Breed, Director, African American Art & Culture Center; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the 2004 Emergency Shelter Grants Program and Expenditure Schedule; and authorizing the Mayor on behalf of the City and County of San Francisco to accept and expend a $924,509 entitlement grant under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development; placing $96,115 on reserve.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040364 **[Municipal Transportation Agency Contract No. CS-103 with Booz Allen & Hamilton Inc.]**

Mayor

Resolution authorizing the Municipal Transportation Agency to enter into Amendment No. 4 to Municipal Railway Contract No. CS-103 with Booz Allen & Hamilton Inc., for further engineering services through closeout of MUNI's Light Rail Replacement Program, for (1) further consulting services through closeout of MUNI's light rail vehicle replacement program, (2) a contract increase not to exceed $1,500,998, for a total contract amount not to exceed $17,223,352; and (3) a contract extension through December 31, 2007.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Ann Carey, Financial Manager, MUNI; Harvey Rose, Budget Analyst. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution authorizing the Municipal Transportation Agency to enter into Amendment No. 4 to Municipal Railway Contract No. CS-103 with Booz Allen & Hamilton Inc., for further engineering services through closeout of MUNI's Light Rail Replacement Program, for (1) further consulting services through closeout of MUNI's light rail vehicle replacement program, (2) a contract increase not to exceed $1,500,978, for a total contract amount not to exceed $17,223,332; and (3) a contract extension through December 31, 2007.

(Fiscal impact.)

4/28/04, Amendment of the Whole.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040384 **[Municipal Transportation Agency Contract Modification No. 12 with ANSALDOBREDA S.p.a]**
Mayor

Resolution authorizing the Municipal Transportation Agency to enter into Contract Modification No. 12 with ANSALDOBREDA S.p.a for (1) completion of the video surveillance retrofit on 87 light rail vehicles; (2) design, testing and installation of an emergency brake acceleration limiting device on 151 vehicles; (3) overhaul of the brake system on 23 vehicles, plus two options for up to 30 additional vehicles each; (4) funding for spare parts and repair of damaged vehicles; and (5) modification of the delivery schedule, payment schedule, warranty provisions, and other terms and conditions of the contract to address the new work; all in an amount not to exceed $9,148,576, and for a total contract amount not to exceed $407,155,455.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Ann Carey, Financial Manager, MUNI; Harvey Rose, Budget Analyst. Amended on page 3, line 17 to reduce the amount from $12,275,000 to $12,274,340; same title.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040362 **[To appropriate funding to Modification No.12 to Contract No.309 with ANSALDOBREDA (Breda),and related consultant and administrative costs for the Municipal Transportation Agency]**
Mayor

Ordinance appropriating $12,275,000 of fund balance to fund Modification No. 12 to Contract No. 309 with ANSALDOBREDA (Breda) and for related consultant and administrative costs as part of the Muni Light Rail Vehicles (LRV) Procurement Program. Funding is provided from proceeds of a recently completed Breda lease-lease back transaction. The MTA adopted Resolution No. 04-016 approving a spending plan for Muni's Breda LRV modification program, with an emphasis on operational and passenger safety security enhancements for fiscal year 2003-04.

(Fiscal impact.)

3/23/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

Heard in Committee. Speakers: Ann Carey, Financial Manager, MUNI; Harvey Rose, Budget Analyst. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $12,274,340 of fund balance to fund Modification No. 12 to Contract No. 309 with ANSALDOBREDA (Breda) and for related consultant and administrative costs as part of the Muni Light Rail Vehicles (LRV) Procurement Program. Funding is provided from proceeds of a recently completed Breda lease-lease back transaction. The MTA adopted Resolution No. 04-016 approving a spending plan for Muni's Breda LRV modification program, with an emphasis on operational and passenger safety security enhancements for fiscal year 2003-04.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040343 **[Taxi Legislation]**

Supervisors Daly, Ma

Ordinance amending Sections 1076, 1081, 1121, and 1148.1 of the Police Code to state a test, measured in cumulative hours per year, for satisfying the driving requirement imposed on taxicab and ramped taxi permitholders; to authorize modification of that cumulative hours test to accommodate disabled permitholders; to increase the number of years of driving required of permit applicants to qualify for a taxicab or ramped taxi permit; to require that the City provide notice to permit applicants and taxi drivers of the driving required to qualify for a taxicab or ramped taxi permit; and to require color scheme permitholders to post a similar notice and maintain records of the driving performed by drivers affiliated with the color scheme.

3/16/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4/14/04, CONTINUED. Heard in Committee. Speakers: Naomi Little, Executive Director, Taxi Commission; Supervisor Daly; Carl MacMurdo; Robert Cesana; Jim Nakamura; Mark Gruberg; Jim Kennedy; Hansu Kim; Desta; Supervisor Peskin.
Continued to April 28, 2004.

Heard in Committee. Speakers: Naomi Little, Taxi Commission; Tom Owens, Deputy City Attorney; Cheryl Adams, Deputy City Attorney; Carl Macmurdo; Robert Cesana; Jim Gullespie; Joseph Fleischman; Barry Taranto; Ruach Graffis; Marlia Smith; Jim Kennedy; Jim Nakamura; Supervisor Daly; Monique Zmuda, Controller's Office.
Continued to May 19, 2004.

CONTINUED by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040239 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of provisional appointments of employees in classifications 1237 Training Coordinator, 1410 Chief Clerk, 1842 Management Assistant, 2998 Representative, Commission on Status of Women, 3280 Assistant Recreation Director, 3284 Recreation Director, 4321 Cashier 2, 5278 Planner 2, 5283 Planner 5, 5293 Planner 4, 5608 Senior Energy Specialist, 9343 Roofer, and H-30 Captain (Fire Department) and 60 promotive provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, 0942 Manager VII, and 0943 Manager VIII. (Human Resources Department)

3/5/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

3/31/04, CONTINUED. Heard in Committee. Speakers: Marsha Stroope, Deputy Director, Human Resources Department; Supervisor Daly; Supervisor Ammiano; Harvey Rose, Budget Analyst; David Novogrodsky, Local 21; Richard Rothman; Cindy, Local 790.
Continued to April 14, 2004.

4/14/04, DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes; See File 040491.

4/14/04, CONTINUED AS DIVIDED. Continued to April 21, 2004.

4/21/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

Heard in Committee. Speakers: Amelda, Local 21; Supervisor Daly; Monique Zmuda, Controller's Office.

REFERRED to the Budget Committee by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

040491 **[Extending provisional appointments]**

Resolution approving extension to June 30, 2005 of 42 entrance provisional appointments in classifications 0922 Manager I, 0923 Manager II, 0931 Manager III, 0932 Manager IV, 0933 Manager V, 0941 Manager VI, and 0943 Manager VIII.

4/14/04, RECEIVED AND ASSIGNED to Finance and Audits Committee.

4/14/04, CONTINUED AS DIVIDED. Heard in Committee. Speakers: Marsha Stroope, Human Resources; Supervisor Daly; Harvey Rose, Budget Analyst; Ed Harrington, Controller.
Divided 42 management classes from File 040239.
Continued to April 21, 2004.

4/21/04, CONTINUED. Heard in Committee. Speakers: Supervisor Daly; Marsha Stroope, Human Resources Department; Harvey Rose, Budget Analyst; Supervisor Ammiano; Peter Nardoza, Airport; Supervisor Peskin; Katie Petrucione, Mayor's Office; Monique Zmuda, Controller's Office.
Continued to April 28, 2004.

Heard in Committee. Speakers: Amelda, Local 21; Supervisor Daly; Monique Zmuda, Controller's Office.

REFERRED to the Budget Committee by the following vote:

Ayes: 3 - Daly, Peskin, Ammiano

ADJOURNMENT

The meeting adjourned at 4:05 p.m.

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